Where Do We Get the Energy?

THE NEW REPUBLIC

February 25, 1978

Price One Dollar

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"And now, the big winners in today's lawsuits..."

Is this where we're headed? At least 205 Americans have now won damage suits worth a million dollars or more.

In 1962 there was *one;* the next year, *two;* and as recently as 1969, only *three.* But by 1976 the number of million-dollar plus awards ballooned to *43.* The stakes have gone up.[1]

Were these awards justified by real losses and clear fault? Or were they grand prizes in a lucrative game of chance

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—America's dis-tort-ed tort law system?[2]

We've reached the point where a person was actually awarded well over a million dollars for "traumatic neurosis" resulting from a false arrest for shoplifting.[3]

If there were no losers in this game, we might dismiss it as harmless fun, like a lottery. But every payer of liability insurance premiums *is* a loser.[4] And indirectly all of us lose, as the soaring costs of settlements and insurance force up the prices of the products and services we use.

Justified claims should be fairly compensated. But it's time to look at state laws that permit excessive and unwarranted awards. California has done so with a citizens' commission created to help bring balance back to the system. We urge other states to follow.

Insurers, lawyers, judges—all of us share some blame for this mess. But it is you, the public, who can best begin to clean it up—by making your views known to your elected representatives. Don't underestimate your own influence. Use it, as we are trying to use ours.

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1 Jury Verdict Research Inc. of Cleveland, Ohio, keeps records of million-dollar-plus awards. These, however, are only the tip of the iceberg. Extravagant jury-awarded damages set a standard for *out-of-court* settlements—the real problem, since most liability cases *are* settled out of court.

2 A "tort," strictly speaking, is a wrongful act (other than breach of contract) for which damages may be recovered in court.

3 In this case, a 23-year-old woman was arrested, tried, and found innocent of shoplifting. In turn, she sued the store and its special policeman. To compensate her for "depression, anxiety, nervousness, phobia, fears, and nightmares," the jury awarded her $1,100,000 in damages. In the past, awards for such intangible damages were reasonably related to actual medical expenses and economic losses. Today, these vague terms are often the basis for huge demands. We have recently seen the filing of a $31-million malpractice suit on the grounds of "mental distress."

4 Most awards are paid by insurance and any continuing increase in the size or number of awards must be reflected in insurance costs. For example, product liability insurance for manufacturers, and malpractice insurance for physicians, *more than doubled* in one recent 12-month period. While these were averages country-wide, for many the increases were even more severe. In California recommended increases for product liability protection for clothing manufacturers *jumped 400%* in 1976, while malpractice insurance for some physicians *increased 347%*.

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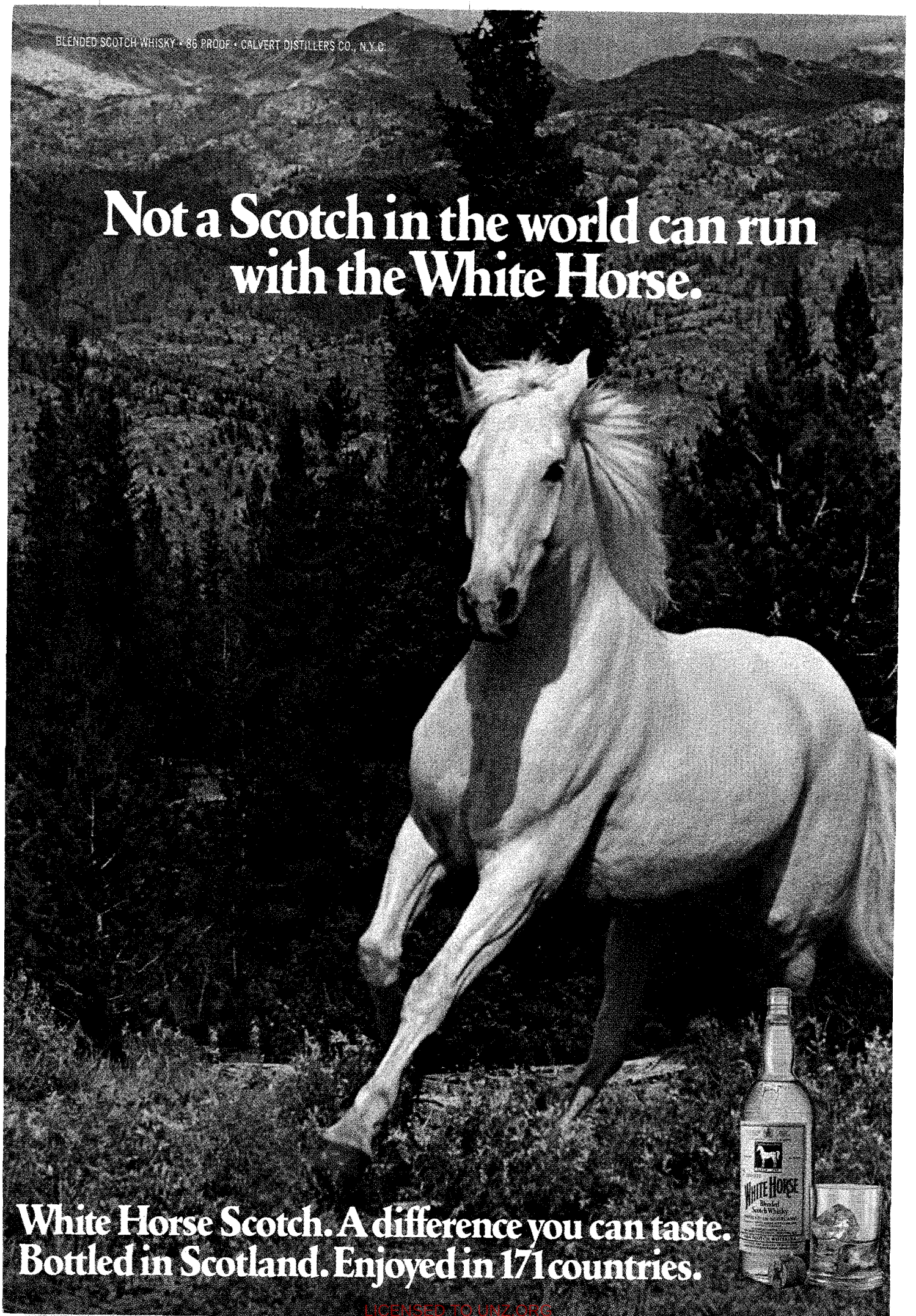
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TRB

from Washington
February 25, 1978

Sizzling Statistics

There's nothing more agreeable of a winter evening than to curl up before a good fire with the tables of statistics of the President's Annual Economic Report. Let the gale howl. Let the snow fall. I have here Table B-28, "Civilians employed and unemployed by sex and age, 1947-77." A page or two later is the equally fascinating Table B-49, "Consumer Price Indexes by expenditure classes, 1929-77." You see what I mean?

Some people may not agree. Sheer poetry, I call it, with a little sex and romance thrown in. It's what you bring to these things; to illustrate, let me cite an advertisement that I ran across the other day from a *New York Times* published in the early '20s about Van Raalt stockings:

"Enhance the charm of those few silken inches of hose that twinkle 'neath your skirt by wearing Van Raalt silk hose." The picture shows a demure young lady with the hemline a little under half way to the knee and those few silken inches twinkling away at a great rate. (I try to be exact in those things:—in 1921 the hemline started 18 inches from the ground and fashion showed it was steadily rising; to where one could only speculate with awe.)

The close connection between Van Raalt and Table B-29 (Employment by age and sex) is immediately evident. Women, of course, were going to work. As they took jobs they cast off their draperies. Some of the bolder ones even discarded stockings when they went bathing at Brighton Beach. Thirty years ago (the table shows) females "20 years and over" numbered 14,354,000 in the American working force, or about 24 percent; last year it was 33,199,000 or over 36 percent of the present working force. That's a social revolution in anybody's book of statistics; from one woman worker in four to one in three. Where it will climb to—how far those "few silken inches" will rise—one can only ask with awe.

The statistical tables show women are still discriminated against. Unemployment by sex is always a little higher among female workers; they are let out first.

Take another example, this time race. Ugly racial riots flared across the nation 10 years ago, the worst in history. The impartial government tables pin down and compare the job discrimination in various ways; we all know about it, but there's a certain cool brutality in seeing the facts numerically expressed. Example: teen-age unemployment in 1954 was 13.4 percent for whites and 14.4 percent for blacks, about the same. Now look at the figure in 1977—for whites it's 15 percent, for blacks it's 37 percent. Or compare figures on income ("in 1976 dollars"); in 1959 some 18.5 percent of all white families were below the poverty line but this has dropped to a gratifying 9.4 percent in 1976. Black families? The decline is gratifying, too, but the two base figures start from a much higher point; in 1959 some 50.4 percent of all black families were below the poverty line; now it's 26.4 percent.

The storm cries outside, so put another stick on the fire and look at some more figures. Only remember that these aren't just statistics; they are men and women. Here's another table. Why are the farmers so unhappy at present? It affects our politics and our relations abroad. First note one of the most extraordinary figures in the whole 381-page book: the percentage of farmers to total US population. When I came to Washington the farm lobby was, past all doubt, the most powerful in the city. You can see why; as late as 1929 farmers made up a quarter of the nation (25.1 percent). But now (1977) they have dropped to 3.6 percent. Has crop production per acre declined? Just the reverse. It has doubled. In short, the American farm has been mechanized. It's the wonder of the world. Can you look at that column of numerals without seeing Old Boss at the top being milked by hand, and at the bottom yielding her lactic stream to an electric pump?

On the subject of farmers, you can see why they're sore right now. Table B-94 puts it as pithily as it can be put. Using the "1967-100" formula, the price received for all farm products has declined from 185 to 183 from 1975 through 1977 inclusive, but the price "paid by farmers: all items, interest,

(continued on page 48)

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Cover: Light and Colour (Goethe's Theory)—The Morning After the Deluge—Moses Writing the Book of Genesis *(1843) by J.M.W. Turner. Tate Gallery, London.*

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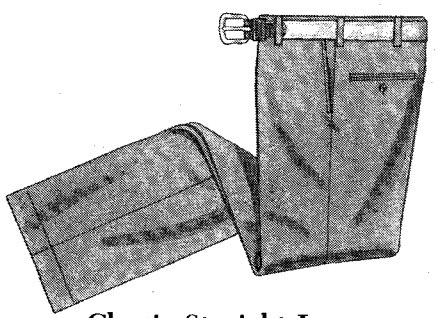

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THE NEW REPUBLIC

February 25, 1978

Price and Pride

It is remarkable that four and a half years after the oil embargo, it is still impossible to get a straight answer to the big question: are we running out of oil? Jimmy Carter believes that we are, and he and his Energy Secretary James Schlesinger built their energy program on that assumption. Their plan, therefore, is to cut energy use by raising prices. Where they differ from companies is in the method. Carter would raise prices by tax and regulation, the companies would prefer to do it by increasing their own profits, without government interference. But in either case, this drastic remedy will arguably accomplish two good things. It will discourage waste and stimulate the production of new kinds of energy. Carter says it is essential to begin raising prices now, because by taking the bitter medicine in gradual doses over a long period, we will avoid the possibly fatal prospect of swallowing it all at once in a huge price increase in the 1980s.

A fundamentally different view is that there is no real shortage, just a short stock of cheap oil. Many economists say this is so, including Fred Singer, who argues in this issue that all we need to do to increase supplies is to permit the companies to make larger profits and remove some of the obstacles that environmental groups have placed in the way of drillers, miners and burners of fuel. If the companies are allowed to make a decent profit on risky new projects and if they are given a promise that the government will not step in and muck up their pricing systems, then they will get to work and find some more energy for us. Singer is so confident that the supplies are there that he predicts there will be no calamitous price jump in the 1980s.

There is yet a third school. It says that petroleum and other forms of energy are both plentiful and cheap, but are being withheld from market by greedy governments (OPEC) and corporations. According to this view, the only obstacle that stands in our way is the political power of the producers. They have used their power to seize control of the marketplace, and now they dole out supplies when they please, at extraordinarily high prices. Since they control the market and employ all the technicians, they cannot be beat—at least, not as long as we respect the standard rules of free enterprise. Melville Ulmer believes that it is time for the government to intervene. He argues that the producers were the first ones to break the rules, for there is no free market in oil. Now we must ask Congress to step in, restore competition and rebuild the market. In short, Ulmer recommends that the government break the monopoly, lower the price, perhaps allocate supplies temporarily and take whatever steps are needed to bring the fuel to market.

The last of these three schools seems closest to the truth, except that we should remember that the monopoly is a foreign one, and therefore outside US jurisdiction. So while OPEC may violate our law, there is no legal or political action we can take to bring it into compliance. (This doesn't stop OPEC from scolding us about high prices, however. Because of a recent Supreme Court decision, it will now be possible for OPEC nations and other countries to sue US companies in US courts for monopolistic pricing of goods overseas.) It's hard to say whether the economic pressures that people suggest we use against OPEC would be strong enough to coerce a price reduction. Military force might work, but that happily isn't being considered. Sending troops into the Persian Gulf would create a bigger mess than exists now. But the producers should know that there is a limit to the price the consumers are willing to pay.

While we may have to put up with a rigged international oil market for some time, that doesn't mean we should tolerate monopoly at home. One of the best suggestions for keeping competition alive, we

(continued on page 8)

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Correspondence

Humphrey's Turning Point: II

To the editors:

A flood of my own memories—memories of a haunting hour with Hubert Humphrey—was released when I read Chester L. Cooper's reminiscences in "Humphrey's Turning Point" (*TNR*, Jan. 28).

Soon after Vice President Humphrey won the nomination at the 1968 Democratic Convention I was asked to meet with him to discuss the possibility of playing a role in the forthcoming campaign. As the co-founder and national co-chairman of a business executives' organization opposed to the Indochina entanglement, I had helped to finance Eugene McCarthy's primary campaign with contributions from affluent antiwar people around the country. Now Mr. Humphrey was urging me, during a lengthy private meeting, to do the same for "our party's campaign against the Republicans."

I told him that, boneweary as I was from the experience of the preceding months, I would gladly continue to contact major financial prospects around the country and make a substantial contribution of my own, if he would publicly break with Lyndon Johnson's Vietnam policy (which Mr. Humphrey had told me at the outset was a policy with which he had privately disagreed for some time). There were reasons, however, for which he could not make that public break, he told me, urging at the same time that I trust him to do the right thing after he was elected. I in turn kept saying that unless Mr. Humphrey could clear the air publicly and put himself, in Cooper's words, "on the side of those he respected and whose support he wanted"—I could not in good conscience commit my own time, effort and money; nor could I expect to gain from others who detested our Vietnam blunder the kind of financial help such people had provided in the primary campaign. Above all I kept stressing what seemed self-evident to me; without that public break in policy on the quintessential issue of that political moment, how could Mr. Humphrey possibly expect to win the election?

We parted in a friendly way—how else could anyone ever part from Hubert Humphrey under the circumstances—but neither one had convinced the other. A hundred times over the years I was to wonder what it was, now that he had won the nomination, that kept him from doing what would have won the election for him. I still wonder. . . . .

Harold Willens
Factory Equipment Corporation
Los Angeles, California

To the editors:

The article by Chester L. Cooper praising Hubert Humphrey is bizarre indeed.

Cooper argues that HHH was a true statesman because he kept quiet about a bombing pause in Vietnam in order to encourage peace moves; thus he lost the presidency. Unfortunately, this view turns truth upside down. Humphrey had dutifully and enthusiastically endorsed the Vietnam War, and he deserves the contempt of history for his failure to protest this greatest of all American mistakes and shames in this century. The war was a disaster for America, and HHH was part of that disaster, alas. The promising young liberal turned into a hawkish colonialist, and that is not my idea of a statesman. The US lost in Vietnam, as it deserved to lose; HHH lost in 1968, as he deserved to lose. (Note: I am not implying that Nixon deserved to win. Neither was a suitable alternative.)

Harry R. Major
Los Angeles, California

Do we know what we like

To the editors:

Since the inauguration of President Carter a year ago I have grown increasingly disenchanted with the editorial policy of *The New Republic*. It appears that, alongside the one great malaise of the citizens of the United States in the 1970s—the refusal to accept responsibility for everything or anything—there is an increasing tendency to refuse to give credit where credit is due.

The most recent example of this may be found in your year-end appraisal of Carter's performance ("Guns and Margarine," *TNR*, Feb. 4). Not one week after you, in your final remarks on Hubert Humphrey ("'Before the fact is the dream,'" *TNR*, Jan. 28), paraphrased favorably his accusation of some liberals as only happy when they lose, and cited, again favorably, his criticism of some "too self-righteous liberals," I find you feeling "cheated" and voicing a preference (no matter how qualified) for the good old days of Gerald Ford.

Yes, I too long for those good old days. Bring back the foreign policy of Henry Kissinger, bring back the budgetary policies of William Simon and Arthur Burns the agricultural policies of Earl Butz, the civil rights enforcement policies of Edward Levi, and the wise vice-presidential assistance of Nelson Rockefeller (or should we speak of Bob Dole?).

It seems a shame that no sooner do we bury Hubert Humphrey than we forget him. Of course Jimmy Carter is no saint, but please, in the future, refrain from this "self-righteousness." You have no call to feel yourself "cheated" nor to resort to a rhetorical device such as considering how you would feel if Gerald Ford had been reelected. If you would begin to write from the perspective of *knowing* that you do not prefer a Ford presidency, then maybe you can begin to offer some constructive criticisms which have been seriously lacking in your recent editorials.

Ralph M. Silberman
Arlington, Virginia

Burden of democracy

To the editors:

In his article, "Carter's New Rules" (*TNR*, Feb. 4), Ken Bode does not mention the most important reform needed in the Democratic party's rules *for nominating a presidential candidate:* that is to reform the rules so that never again will the party nominate a person as unqualified to assume the presidency as Jimmy Carter.

In other countries, whether the parliamentary regimes of Western Eu-

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rope or the Communist regimes, a person is not even considered for the highest office unless he has earned and received the respect of his peers at a national level. Governor Carter had never earned or received this respect. He was able to cultivate Iowa and New Hampshire voters with an intensity equalled by none of his rivals, all of whom had other responsibilities to meet. It was in Iowa and New Hampshire that Carter acquired the media momentum which carried him forward to the nomination.

Indeed, Mr. Bode seems to consider it a positive virtue that the nomination should be open to "longshots like Carter." Not so. No other country considers "longshots" for national leadership, nor can we afford to.

David C. Williams
Sumner, Maryland

Human rights

To the editors:

Charles Fenyvesi's article "Tito's Parliament of Europe" (*TNR*, Jan. 21) was read with great interest by members of the American delegation to the conference on security and cooperation in Europe. However, we were at a loss to explain the view attributed to "many observers" that some West European countries at the Belgrade CSCE meeting have been stronger in their support for human rights than the Americans.

I must say that this has clearly not been the case.

Our delegation, led by Ambassador Arthur J. Goldberg, has consistently taken the lead in systematically bringing human rights violations to the attention of the meeting. We have been the only delegation to mention specific countries and cite specific cases repeatedly. Resident American and West European correspondents who have followed the full course of the meeting have widely reported the strong American position on human rights. Eastern European correspondents have repeatedly singled us out for criticism because of our "unconstructive" attitude on human rights.

It is difficult to believe that "many observers" could hold the views Mr. Fenyvesi describes, although I recognize the problems facing a journalist who is able to be in Belgrade for only a few days, expecially as the actual meetings—except for a week of plenary speeches at the beginning and at the end—are closed to the press. This can lead to incomplete and occasionally inaccurate reporting, as sources of reliable information are not always easily identifiable. In order to partially rectify this regrettable situation, I have conducted regular briefings for the press. I have tried to provide a source of reliable and objective information about the course of the Belgrade meeting, and it has been gratifying to hear assurances from attending journalists that these briefings have met their tests of objectivity.

Myron L. Hoffmann
Press Officer
US Delegation to the CSCE Meeting
Belgrade, Yugoslavia

Voilà Carlucci

To the editors:

"Who is Suetonius?" After reading his slashing article, "Ou est Carlucci?" in the February 4th issue, I went to my Britannica for guidance as to the Roman on whom this anonymous scrivener models himself, and was enlightened. His biographies of the Roman emperors, "though free with scandalous gossip," are "Largely silent on the growth, administration, and defense" of the empire. The pseudonym was well chosen.

It is interesting how Frank Carlucci's demonstrated virtues are turned inside out to become somehow shameful. Upon being assigned administrative tasks in the Foreign Service, he "won another bureaucratic award for his management of housekeeping chores spurned by most of his fellow officers." His courage as acting head of OEO in facing down a powerful Governor Reagan and saving the California Legal Assistance program becomes "dodging a covert political controversy." "Discreetly supporting the fiscal policies that plunged the country deeper into recession, Carlucci stayed on at OMB through most of the Watergate collapse"—even though he and Caspar Weinberger took over direction of HEW in March 1973. Though his courage in facing down Secretary Kissinger, at the height of his power, on the issue of Portuguese policy is grudgingly acknowledged, he is characterized as sitting quietly while "the local CIA station struggled to keep the new Portuguese democracy within bounds." Being "an easy, unpretentious man devoted to his work" makes him "like hundreds of his kind in the huge, faceless civil service from which he emerged eight years ago."!

As one who served as Frank Carlucci's deputy briefly in the Agnes flood relief effort in Pennsylvania, and again while he was Undersecretary of HEW, I can testify to his forcefulness in moving the bureaucracy when required, his deftness in administration, his 12-hour days in the office, his chipper, informal manner and lack of cant and bureaucratic jargon. I can testify too to his courage in continuing the fight at the White House for the OEO Legal Services program two years after he had left that agency; in holding the HEW organization on course in the face of the debilitating atmosphere of Watergate, and continuing work on welfare reform and health initiatives despite the loss of interest in the White House and of support in the Congress.

William J. Conner
Delaware Law School

Who will go first?

To the editors:

Your comment on the presidency ("Guns and Margarine," *TNR*, Feb. 4) states that you favor Carter's request for a three percent *increase* in the defense budget instead of the five-to-seven billion-dollar *cut* he promised during the campaign.

Your reasons sound plausible: that the USSR is spending more and that if we do not help to increase NATO's strength we might have to use nuclear weapons in case of war.

But this is the basis on which each side has relentlessly escalated the cold war. To continue the escalation while we negotiate SALT and other issues does not help progress. If we want disarmament, as both sides unquestionably do, for economical as well as political reasons, somebody has to start disarming to show that they mean it. A less aggressive posture on our part would not leave us defenseless or expose our allies to threats of immediate destruction.

William T. Bissell
Canton, Connecticut

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think, is the proposal to create a federal crude oil market mentioned by Ulmer. It was proposed at first as an auction house only for oil imports, but the concept could be expanded to include oil and gas produced in the US as well. There are markets for wheat, hogs, chickens, stocks and bonds; why not have a federally policed free market for oil? It could serve not only to keep prices stable, but also to remove the suspicion that oil is bought and sold in private for corrupt reasons. If there were a free, federal market, no one would bother to ask whether the oil was running out.

Settlements, Planes, Peace

At this distance, it is not easy to figure out the sequence of events or to place the blame for the current deadlock in the Middle East. Nor is it necessary to do so: whatever happened is not definitive; the negotiations are already in the process of being resumed. But the deadlock has brought the US back into the center of the negotiating process. Apparently both Israel and Egypt want us there, though not quite in the role we had cast for ourselves before Sadat's Jerusalem visit. We are not to be organizers of an "overall" peace, but mediators between two of the parties, a role we may well compromise by our plan to increase the arms and fighter plane traffic in the Middle East. Yet if we can restore our credibility as intermediaries it is important that we know what issues are central to the new peace process.

It is probably useful to separate the question of Israeli settlements on the West Bank from the other questions on which Israelis and Egyptians disagree—first, because the settlements divide Israelis too, and secondly, because the publicity they have received has given them, for the moment at least, a disproportionate importance. About 6-7000 Israelis now live across the Green Line (the pre-1967 cease fire line). The bulk of them are on the Golan Heights or in the Jordan Valley, settled there for reasons demonstrably related to Israeli security. Their status is not yet at issue in the current talks, though their right to be where they are will undoubtedly be challenged if Jordan and Syria ever enter the negotiations. It is worth noting that some of these settlers are leftists and doves: the members of one Golan kibbutz recently signed a public statement saying that they would abandon their lands if their presence became, in the current phrase, "an obstacle to peace." For the moment, this particular kibbutz—and even others not so willing to pick up and leave—can't possibly be an obstacle, since the Syrians show no interest in peace. Recent settlements in the hill country of the West Bank, however, more obviously stand in the way of a peace agreement. For they are located in the heartland of the Arab population, and they have been defended (by General Sharon, for example, who sits incongruously as Israel's Minister of Agriculture) in language that suggests a longterm policy of colonization and annexation which no Arab government could possibly accept.

The hill country settlements are largely the work of *Gush Emunim*, a bloc of religious nationalists, whose militants firmly believe that God wants them to live on the lands they call by their biblical names: Judea and Samaria. (But are they sure, someone has asked, that He wants them to live there *right now*?) About these men and women, it is necessary for friends of Israel to speak very clearly: these are Israel's fanatics, and they will have to be politically defeated before peace can be fully realized. Every country has people like this: they represent a small minority of the nation, but they can achieve considerable influence at critical moments. They evoke religious myths, they exploit national symbols, they imitate conventionalized patterns of heroic behavior, they play upon the guilt and anxiety of their more apathetic countrymen. In a democratic society, such people cannot simply be puffed up by the government (or, as in this case, by the former opposition) when it finds their zeal convenient and then shot or imprisoned when the political line changes. Force may have to be used against them, but they must also be outfaced and outmaneuvered. It is one of the tragedies of the Labor Party that it lacked a leadership capable of dealing decisively with the *Gush*—indeed, that failure probably played a significant part in Labor's defeat.

Begin stands to these modern zealots in something of the relation of De Gaulle to the OAS during the Algerian War. The analogy fails at many points but, like De Gaulle, Begin shares in the ideology of the ultras. He must know in his heart, however, that one day he will have to repudiate them. It may be that their final defeat will await the signing of an agreement (as in the French case). But it would certainly be to Israel's benefit, and it would improve the atmosphere at the negotiating table, if the government were to suspend all settlement activity for the duration of the talks as it seems to have done in the Sinai. Later on, it should be possible to work out arrangements that would permit Jews to live in or near the places they regard as holy, assuming that such feelings outlast the nationalist impulse to possess the territory. Large scale colonization, however, is unthinkable if there is to be any peace at all. The Prime Minister would be wise if he found some way to signal his understanding of this fact to the Arabs and to the world.

All this having been said, the most important issues remain to be discussed. These have to do with recognition, territory, and security, and with regard to these three, it has to be said that significant progress had been made before Sadat broke off the Jerusalem talks—enough progress so that the American mediators were, in fact, optimistic about the outcome

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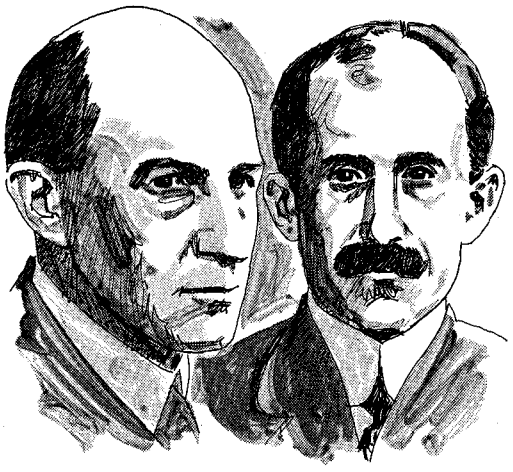
Wright...to now



Wilbur and Orville Wright

This year, the nation celebrates the 75th anniversary of powered flight by the Wright Brothers at Kitty Hawk, N.C., on December 17, 1903.

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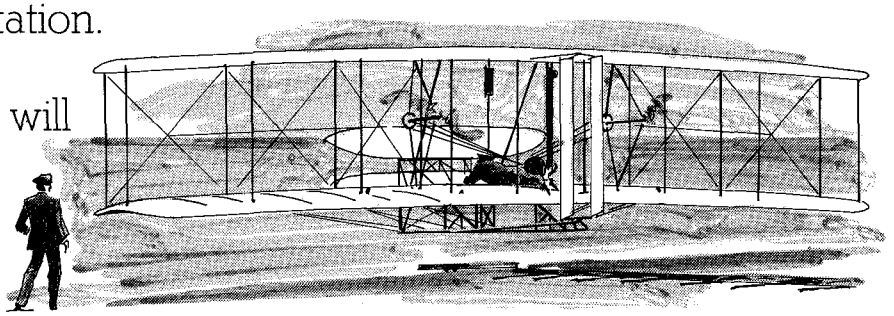
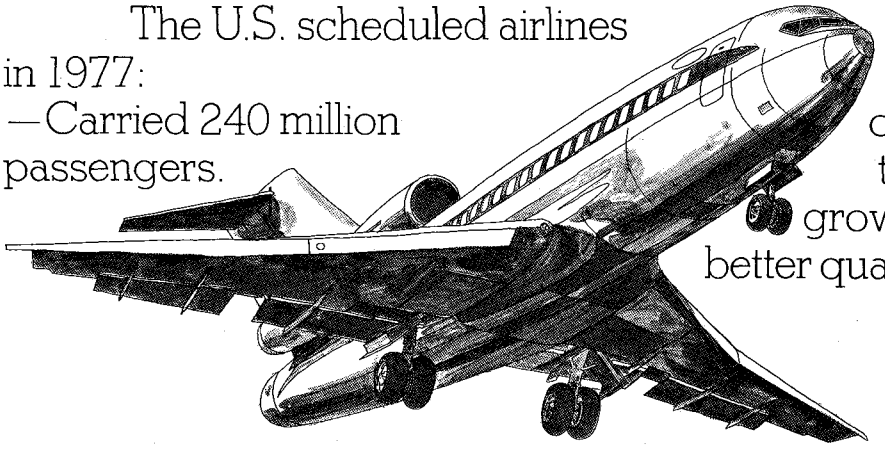
—Moved 6.4 billion ton miles of freight and mail, including 9 out of every 10 first-class letters between cities.

—Used *less* fuel than in 1973, when the fuel crisis began, while carrying 38 million *more* passengers.



From that takeoff at Kitty Hawk—the 12-second flight was about the length of a modern day jet—air transportation has become a vital part of our nation's life. It has contributed to the country's growth, to its defense, and to a better quality of life for all its citizens.



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of the talks and dismayed at their abrupt termination.

First of all, there was Sadat's visit, a highly personal and informal recognition of Israel's legitimacy and a promise of the "real peace" that Israelis have long dreamed about. The visit was preceded, apparently, by indirect contacts that gave the Egyptian leader some sense of what he could expect in return and Israel some sense of what he wanted. (There may have been misunderstandings on both sides.) But whatever its preparation, it was no less dramatic for that, and though Sadat's gifts were largely symbolic, they are not readily retractable: Israel will not easily be made a pariah in the Middle East again.

Begin's response could not be similarly dramatic. Instead, it necessarily initiated the process of hard and serious bargaining over tangibles. He promised the return of the entire Sinai to Egyptian sovereignty in exchange for its demilitarization east of the passes to the international border. This is a major Israeli concession, not yet fully appreciated in the United States. It can be deprecated by saying that Begin merely gave what belonged to Egypt anyway. But what Sadat gave "belonged" to Israel too. If states are entitled to their territory, so are they and their people entitled to recognition and peace from their neighbors. Most striking in Begin's proposal was the surrender of Sharm El Sheikh, the key position from which Egypt had twice blockaded Israel's southern port of Eilat. Previous governments had pledged themselves to hold Sharm, even in the context of a full settlement. Begin yielded it without a backward glance but not without considerable risks. There remained serious questions to be negotiated: the precise extent of the demilitarization, the concrete protections against the Sinai once again becoming a staging ground for war against Israel, the timetable of Israeli withdrawal, the status of the Jewish settlements in the northwest corner of the peninsula, all significant only when the West Bank and the Palestinian problem had already made for trouble.

The second part of Begin's response was his 26-point plan for an interim agreement on the West Bank: Palestinian self-rule, continued Israeli responsibility for security, some sort of Israeli-Jordanian political co-dominion. Begin would probably have done better if he had summed up his proposal in a few vague principles, leaving details for later. As it was, his 26 points seemed to qualify self-rule so heavily as to conceal the likely meaning of the plan. Hardliners in Israel (and not only hardliners) saw that meaning clearly enough, and Begin now faces serious opposition in his own party, among his own cadres and his closest friends from the underground days of the 1940s. Self-rule will inevitably lead to some more advanced form of Palestinian autonomy—an independent state, the hardliners say, though that is surely the most distant prospect (since neither Israel, Egypt, nor Jordan wants it)—or an "entity" federated with Israel and Jordan or with Jordan alone. Once democratic elections extend, as Begin proposes, beyond the municipal level and produce a council representing all of the West Bank and Gaza, a point of no return will have been reached. The council will be, subject to constraints that still have to be negotiated, a constituent assembly of the Palestinian people. Though Israel would retain military control, Begin's plan could set in motion a political process that would eventually make the occupation untenable.

But Sadat apparently hoped that that process would be quicker and less circumscribed than in the Begin plan, and that its probable outcome would be confirmed in advance. The critical issue for him is not Palestinian self-determination; it is the Israeli occupation itself. Begin leaves open the question of how long Israel would maintain its military hold; indeed, he leaves open the question of sovereignty (and so remains at least formally faithful to his party platform). Sadat wants these questions closed; he wants an agreement now on ultimate Israeli withdrawal from the West Bank and Gaza. It was on this point, so far as we can make out, that difficulties first arose in the negotiations. Only after that were questions about the Sinai, already largely resolved or understood to be resolvable, dragged onto the agenda as potential bargaining chips. And then Sadat revealed his impatience with the entire bargaining process and began his search for political support outside the negotiating rooms. It may be argued that Sadat, still the lonely Arab at the talks, had to leave them lest he have no option but to admit that something close to an agreement had been reached with the Israelis.

The Israeli position with regard to the West Bank is peculiarly difficult because of Jordan's refusal to join the peace talks. King Hussein has stuck to the old Arab position: he won't talk with Israel until the Israelis have conceded everything that might be talked about. And Sadat, though he has forsaken that position himself, uses Hussein's intransigence (that seems the right word, though the King has always been known for his flexibility) to press Begin for further concessions on the West Bank. The Israelis on the other hand, feel that they cannot make further concessions, and certainly cannot agree to an eventual withdrawal, of whatever dimensions, until they have reached an understanding with the Jordanians. For the West Bank is more or less dangerous to Israel depending on whether Jordan is committed to peace or aligned instead, actively or passively, with the various groups of Arab "rejectionists." Here Israel believes its basic security to be at stake. And here, for that reason, is the most delicate point in the American mediation. American diplomats are searching for some formula which, without finally committing Begin, would give King Hussein a reason, or an excuse, to join the talks. That is a reasonable goal. But it should be stressed that to ask more of Israel, before Jordan comes in, would not be reasonable at all. Let no one think that all Jordan must do is come to talks

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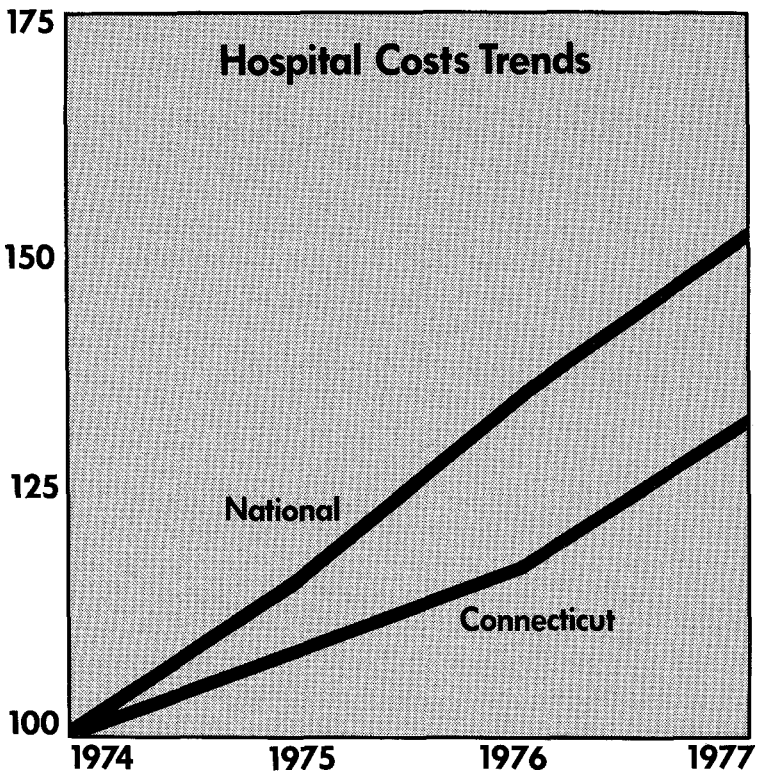

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to get what it wants. Jordan, too, will be obliged to make substantial concessions on the West Bank if peace is to have a chance.

When President Carter described Begin's 26 points as a good basis for negotiation, he spoke carefully and well. Nothing that has happened between the parties since should have led him to change his mind on this. In the give-and-take of a genuine negotiating process, we would expect the Begin plan to be considerably revised—most probably in two ways: to increase the Jordanian role in the interim arrangements and to begin to define more clearly the way in which the final arrangement will be worked out and secured. But on these issues, the US should take no position, certainly no public position. Our task remains that of a mediator: to facilitate the discussions of the parties directly involved, to help them ride out temporary crises, to search for middle ground when they fail to find it themselves. This is an important role, but it is not and it should not be definitive of the eventual settlement. Sadat, Begin and, we hope, King Hussein have got to do the hardest work themselves. It is time they turned away from the television cameras and began to talk seriously to one another.

It is, alas, one of the greater ironies that President Carter, who has done so much to nurture the talks, should suddenly engage in an arms sale adventure which threatens to upset them. His decision to sell Saudi Arabia 60 F15s, America's most advanced fighter plane, will only make the path to peace more difficult. For Israel's calculations on what territorial concessions it may sanely make to its neighbors presume something like the current, relatively stable balance of power. By bloating Saudi military capacity so dramatically, Carter has poisoned the environment of mutual confidence which alone could persuade Israel to put its people once again at peril. Surely a large Saudi fighter arsenal will compel the Israelis to be much more cautious about what lands they are willing to return and under what conditions. It is hard to see how this wild card of Arab military dominance in the area will not adversely affect the present negotiations, perhaps even to the extent of forcing Israel to review the undertakings to which it was prepared to commit itself in the Sinai. If the President doesn't withdraw his proposal, the Congress should do it for him.

Leonid's Little Letter

Leonid Brezhnev, we hope, has overplayed his hand in writing cheeky letters to President Carter and other leaders of the Western alliance last month warning of dangerous consequences that would follow from US deployment of the neutron bomb in Europe. Instead of scaring the West away from the weapon, Brezhnev may have solidified its determination to deploy it or to use it, at least, to bargain for a reduction of Soviet bloc forces in Europe.

In the guise of being candid and frank with Carter and other leaders, Brezhnev's letters actually sounded like shoes being beaten on a table. He accused the United States of trying to belittle the neutron bomb's dangers and of trying to confuse and silence an alleged worldwide rising of protest against the weapon.

According to Brezhnev (but against all logic) neutron bombs would not be used only on the battlefield but directly against huge masses of the population of Europe. He claimed the weapon would enhance the dangers of nuclear conflict, was itself an "inhuman weapon of mass destruction" and, if used, would act like "a devastating scythe sweeping across entire countries."

In fact, neutron bombs are designed precisely to deter a Soviet attack in Europe by enabling Western forces to destroy East Bloc tank concentrations without simultaneously ravaging nearby population centers. The importance of the neutron bomb is not that it kills people while leaving buildings standing, but that blast, heat and radiation effects all are confined to a smaller area than with other nuclear weapons.

Brezhnev charged that potential US deployment already is having a dangerous effect on the world political atmosphere and he threatened a breakoff of US-Soviet negotiations—he did not say which ones—if the United States decided to deploy it and European nations agreed to allow it on their territory. The threat was delivered in a thoroughly disingenuous fashion. Brezhnev claimed that mutual trust and co-operation between the US and USSR would be undermined if the US side deployed the weapon. He added that President Carter would bear personal responsibility for risking the destruction of whole countries and the loss of millions of people. He claimed the Soviet Union would be "forced" to proceed with nuclear weapons programs of its own to match the US initiative. Brezhnev called for mutual repudiation of neutron bombs—though this is a weapon the Soviets do not have.

Weapons that the Soviets *do* have, however, have led the West to the verge of a decision to deploy the neutron bomb. The Soviet Union has been building up its forces steadily in Europe to the point that the Warsaw Pact has 31 armored divisions as against 11 for NATO, and 36 infantry divisions against NATO's 18. While complaining about the neutron bomb, the Soviets are deploying the SS-20 mobile missile, an intermediate-range weapon which is not covered in the strategic arms limitation talks but which could alter the nuclear balance in Europe.

As a result of panicky Western press accounts of the neutron bomb's effects and effective propaganda from the Soviet Union, Socialist governments in Europe—particularly in West Germany—have been under pressure from the left to reject US deployment in Europe. Our allies apparently would prefer that the

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United States decide in favor of the weapon and be seen as forcing them to accept it. President Carter has insisted that they share political responsibility.

Brezhnev may have made it easier. The United States and the NATO allies reportedly are working on a unified set of replies to the Soviet leader's letters. US officials are optimistic that the allies will agree to say that the weapon will be deployed unless the Soviet Union consents in negotiations to make an appropriate force reduction in Europe. It is the Soviet buildup which has provoked the need for neutron bombs, after all, and if the Soviets actually were worried about the dangers of mass destruction, they would act to lower the level of their threat.

Everyone has a special interest.

Delivering the Massage

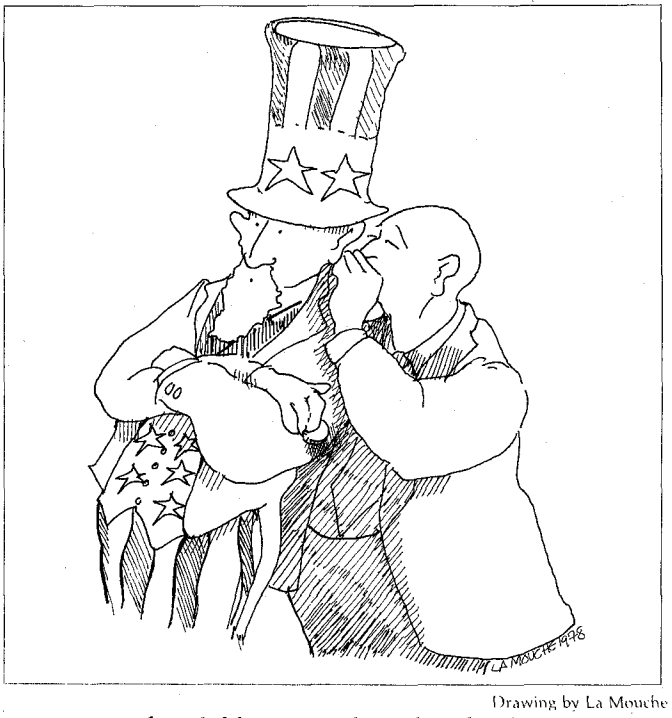
When President Carter commandeered prime television time to announce his National Energy Plan last April, he correctly forecast one of the major lobbying battles seen on Capitol Hill in the last decade. "We can be sure that all the special interest groups in the country will attack the part of this plan that affects them directly," said the President. "They will say that sacrifice is fine, as long as other people do it, but that their sacrifice is unreasonable, or unfair, or harmful to the country. If they succeed with this approach, then the burden on the ordinary citizen, who is not organized into an interest group, would be crushing."

With his energy package alternately stalled or suffering a systematic dismantling by the House and Senate, Mr. Carter returned to the same theme again and again, and his oratory became more strident as time passed. At one point, speaking through Jody Powell, the President accused the House of surrendering to pressure from the oil and automobile industries. Later, he bluntly charged the oil industry with "war profiteering" and trying to engineer "the biggest ripoff in history."

It hasn't helped much. There is little likelihood that the bill that ultimately reaches the President's desk will resemble the legislation he sent to Congress in the first place. But Mr. Carter has performed the useful service of calling unprecedented public attention to the special interest lobbying that surrounds an issue of this magnitude and national urgency.

The oil companies, for example, certainly have the most to gain or lose in the tugging over a national energy policy. They are also probably the most powerful single force in shaping the outcome. But they are by no means the most visible. The swarm of trade association and industry representatives that crowd the Capitol hearing rooms and galleries include few company lobbyists. To be sure, the industry's interests are well tended, but its work was done quietly and well in advance.

For example, the two major industry trade associations are the American Petroleum Institute (annual budget $30 million) and the American Gas Association (annual budget $38 million). Though their main purpose is obviously to promote the interests of the industry in Washington and affect the flow of legislation, because of loopholes in current lobby disclosure laws, these groups together report expenditures of less than $1.5 million annually. Additionally, according to a special Common Cause report on energy lobbying, the oil companies themselves make major expenditures to influence legislation, all of which goes unreported. Take the case of Mobil Oil, a company that budgets $21 million annually for its public affairs program, which is designed to shape public attitudes on matters affecting Mobil's profits. Much of this goes for television time and advocacy advertising in newspapers. In 1977, Mobil spent four million dollars specifically directed to promote the industry position on energy, including newspaper advertisements in nearly every congressional district in the country with clip-out coupons to be mailed to congressmen and senators. These efforts were duplicated many times over by similar oil, gas and utility company programs. Gasoline credit card holders and utility shareholders were reached, for example, by mass mailings and urged to write their legislators. None of this ever requires the



Drawing by La Mouche

presence of a lobbyist cooling his heals in a congressional waiting room. All of it is carefully crafted to prompt broad public acceptance of the industry's view of today's marketplace in energy and America's future

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needs in the energy field. So successful has the program been in the sweep of opinion that even while the public takes a dim view of the giant oil companies, it also subscribes to most of the views they promote.

Though it's not properly classed as lobbying, the most effective representation is achieved when you have a friend in a key spot who shares your views. In this instance, the oil companies feel they're well protected on the energy debate by Senator Russell Long of Louisiana. Long chairs the powerful Senate Finance Committee, which dealt not only with Carter's energy plan, but is also slated to take up his tax and welfare programs later this year. That partially explains why Carter's exhortations against the oil, gas and automobile industries were always accompanied by accolades for his chief adversary in the legislative process: "Senator Long has worked hard and long to come up with an effective energy package."

As the energy debate churned on, Congress Watch, a Ralph Nader lobbying group, revealed another means by which oil and gas companies routinely protect their interests. Nine members of the Senate Finance Committee—six of them members of the House-Senate conference committee—banked more than half-a-million dollars worth of campaign contributions from oil and gas interests in their last campaigns. Most of them were in little actual danger of defeat. To Congress Watch, these contributions represented an "investment" that pays off when difficult public policy decisions are being made.

The oil and gas industries are opposed on most issues by a loose coalition of self-proclaimed "public interest" lobbying groups (Energy Action, the Consumer Federation of America, the Public Citizen Tax Reform Research Group, and the Environmental Policy Center) and several labor unions (Service Employees, AFSCME, United Auto Workers). To maximize slim resources and share information, the group has constituted itself into an informal luncheon gathering, facetiously named "The Petroleum Club of Washington." It meets with members of Congress and their staffs on a biweekly basis. Though its members sometimes work at cross purposes on specific energy issues, the group has mustered sufficient presence and clout in congressional corridors that when Energy Secretary James Schlesinger misspoke himself at a press briefing, drawing immediate fire from the consumer groups, he showed up the following day at the Petroleum Club luncheon flanked by Energy Department aides to explain himself.

Some issues, like those involving America's future nuclear commitments, are sufficiently broad to have inspired lobbying from other nations. President Carter's plan to impose tighter controls on the international exchange of nuclear equipment, for example, led to official expressions of concern from several countries. Some of the discontent, it turns out, was traceable to the long arm of the American nuclear industry, which views the Carter restrictions as limiting its own potential.

What President Carter termed the "centerpiece" of his energy program—the crude oil equalization tax—gave momentary life to a new coalition of special interests, including consumerists, labor unions, oil companies and utilities. These groups agreed on nothing except that it was necessary to kill the tax. Consumers and unions wanted to avoid the inevitable price increases and inflation. The industry wanted the tax revenues (which the administration had earmarked for rebates back to the public) to come its way as investment money to spur futher exploration and production. When Carter indicated his willingness to go along with that idea, the coalition dissipated.

On some energy issues, the coalition of public interest lobbies which has grown up in Washington since the late 1960s shows incipient signs of strain, most of it between divergent long-range goals of consumer advocates and environmentalists. Consumerists, notably groups like Energy Action, have focused most of their attention on the question of energy pricing, are strong advocates of retaining governmental controls, and are adamantly opposed, for example, to deregulation of natural gas. Many environmentalists, by contrast, believe energy is presently priced artificially low, that the only way to spur conservation with American consumers is to use price as a natural restraint on demand. This led to strong support from various environmental groups for items in the President's original package like the gas guzzler tax and the crude oil equalization tax and, for some, even deregulation of natural gas. Gregg Thomas, Washington lobbyist for the Sierra Club, characterizes the difference this way: "The chief concern of the consumer groups is abundance of fuels at the lowest possible price for current users. Environmental advocates tend to place higher value on the consequences of current actions for future generations. Current consumption at a low price often entails a penalty for future generations."

Consumerists, like Jim Flug of Energy Action, are skeptical of free market solutions, believing that they function effectively only in a genuinely competitive market, a situation which does not exist in the energy field. Both Flug and Thomas recognize the potential for larger splits in the future, and like other consumer and environmental groups, both have gone out of their way to avoid them in working on the current energy bill.

"Let's put it this way," says Thomas, "on every issue there is probably a formulation acceptable to both environmentalists and consumerists. Whether or not we could ever reach that formulation in a realistic political context is another question."

A realistic political context means that you also have to take account of what Russell Long thinks.

Ken Bode

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Yes, Arabia,
we do have a "special relationship."

Arms for Oil

Even though it rules its territory and people as a pre-Medieval autocracy, the government of Saudi Arabia engages in "surprisingly democratic" internal debate over vital issues, according to US experts, and is presently embroiled in a disagreement over future oil production levels that has the most profound implications for the United States and its industrialized allies. It was in order to bolster pro-American elements in the Saudi royal court, according to US officials, that the Carter administration decided to sell 60 F-15 jets to Saudi Arabia even though it meant getting itself into a huge quarrel with Israel and her supporters in Congress at the very moment when delicate Middle East diplomacy was under way.

According to administration officials, strong pro-Americans including Crown Prince Fahd and Oil Minister Ahmed Zaki Yamani are under extraordinary pressure from younger Saudi technocrats (many of them, interestingly, American-educated) to restrict oil production below levels the United States now estimates will be necessary for the economic health of the West. The younger Saudis, thinking nationalistically, reportedly are arguing that Arabian oil is more valuable left in the ground for later exploitation than pumped now and burned in Western engines. US intelligence agencies reportedly have confirmed that the pro-US faction is hard-pressed, and administration officials are claiming this is a key reason for Carter's F-15 decision. An Israeli remarked bitterly at the move: "America has now joined Europe in allowing oil to determine its Middle East policy." While Congress is likely to demonstrate that this is not true for the United States as a whole, President Carter seems to be indicating for his administration, at least, that this major shift in policy indeed has occurred.

Administration officials protest that it is not for oil alone that President Carter decided to sell America's most advanced aircraft to Saudi Arabia. They claim that the Saudis regard the F-15 decision as "a test of our whole relationship," and that the relationship transcends oil. As Secretary of State Vance put it when the sale was announced: "Saudi Arabia is of immense importance in promoting a course of moderation in the Middle East, with respect to peacemaking and other regional initiatives and more broadly in world affairs, as in petroleum and financial policy." Administration spokesmen deny that the airplanes threaten Israeli security and claim that the sale can be justified on military grounds. Saudi Arabia's aged fleet of British Lightning interceptors needs replacing, according to the administration, to deal with potential threats from Iraq and South Yemen. The administration reportedly is working on the Saudis to promise—not that it would convince the Israelis—that no F-15s will be based at Tabuk, the Saudi air force installation located just 150 miles from Israel's port of Eilat. Further, administration officials claim that the Saudis, if denied F-15s, will only purchase Mirage jets from France which would not be subject to American restrictions against transfer to another country which might use them in a war against Israel. In past Arab-Israeli hostilities, Saudi troops have taken no part of actual fighting.

These assertions all will be debated at great length in Congress, after which, it seems almost certain, the administration will suffer a decisive legislative defeat. The administration was fully warned of congressional hostility to the airplane sale, but decided to go ahead anyway, apparently believing that if it puts up a strong fight for the Saudis, they will be adequately assured that the Executive, or this President, values the "special relationship" that exists between the countries.

In fact, a "special relationship" does exist between the United States and Saudi Arabia, founded on mutual interests and mutual vulnerability. Prior to 1973, the United States shared in the West's exploitation of Saudi Arabia, getting its oil at prices it suited us to pay. In neighboring Iran, the United States demonstrated that "exploitation" is not too strong a word to use for the relationship, nor even "imperialism." When Iran's

MIKE PETERS
DAYTON DAILY NEWS 1978
MID EAST ARMS SALES
THANK YOU, MR. PRESIDENT....AND NOW TO REPRESENT THE OPPOSING VIEW, HERE'S A REPLAY OF ONE OF MR. CARTER'S CAMPAIGN SPEECHES.

Drawing by Mike Peters

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premier, Mohammed Mossadegh, sought to assert Iranian control over Iranian oil, the Central Intelligence Agency directed the 1953 coup that restored a compliant Shah to power. In 1973, however, the worms all turned. Arab oil countries imposed a partial embargo on the West, and all the OPEC producers launched what has become a quintupling of the price of oil.

The United States is paying about $30 billion more for its oil imports this year than it would be spending for the same amount of oil at pre-1973 prices. This "cartel tax" is regarded as a form of robbery by some Americans who consider other people's natural resources as an American birthright, but as naked imperialism is no longer in fashion in the West, there has been no attempt to seize back what once was thought to be ours, and attempts to "break" OPEC or otherwise force down oil prices have failed. So-called "confrontation options" were included in virtually every US government analysis of the oil problem in the immediate aftermath of 1973, according to officials of the Ford administration. Secretary of State Kissinger and the President flashed signals to the Arabs that further oil embargos—or intolerably high prices, for that matter—might be met with military response. Treasury Secretary William Simon tried to set OPEC members bidding against each other for slices of the American oil market, but the plan did not succeed. President Carter has served notice that an embargo would be taken by the United States as an act of economic war, and the administration announced in its latest defense posture statement that US military strategy explicitly calls for being able to fight in the Persian Gulf.

While it retains confrontation options for extreme circumstances, the United States has settled into an everyday strategy variously described as co-operation, co-optation, inter-dependence or "special relationship" with the Saudis and with Iran. In the case of Iran, the relationship is heavily military. The United States views Iran as its primary peace-keeping proxy in the Persian Gulf—as a force to put down radical revolts or Iraqi aggression, and to fend off Soviet onslaughts until US forces can arrive on the scene. Since 1972, Iran has purchased some $17 billion in military equipment from the United States, including some of this country's most sophisticated hardware. Iran's arms purchases have produced concern among some of her neighbors, including Saudi Arabia, but not in Israel, which gets its oil from the Shah, a non-Arab Moslem.

Iran is a country with a large population—34 million—and major development tasks to accomplish before its oil reserves are exhausted. It pumps virtually all the oil it can, and spends all the revenues it gets. Saudi Arabia is another story. It has only 5,000,000 people (an estimate because there has been no census) but sits atop fully one-fourth of the world's proven oil reserves. So far as anyone can tell now, it is the non-communist world's oil well for the future and its prime energy source until the time, near the beginning of the next century, when major alternative sources become available. For an important moment in history—the present and immediate future—modern industrial civilization is dependent upon a politically anachronistic, socially reactionary wasteland monarchy that the world, but for oil, could easily ignore.

In 1974, America's initial reaction to this dependency and a true expression of the US frontier spirit was Project Independence—a crash program designed to escape our galling new condition. The project itself crashed—fortunately, because it involved vastly increasing US production to eliminate oil imports—pumping our own oil wells dry, in other words, to avoid buying from the Middle East. Instead of this Fortress America posture in energy, the US has chosen—or fallen into—the strategy of interdependence. Just as we are dependent on the Saudis, they are dependent upon us. The West provides Saudi Arabia with the technology it needs to modernize. The United States protects it from outside invasion and provides equipment and advice to build up its own military forces. Saudi money is invested in the West and so it has a stake in the well-being of the world economy.

The Saudi royal house also depends upon the United States diplomacy to work toward an Arab-Israeli settlement and undercut Arab radicalism. Israel, as it happens, depends upon the same thing, and also upon US protection from the Soviet Union. It, too, has a stake in a healthy Western economy. Such a strong community of interests exists between them, in fact, that ideally the United States, Israel and Saudi Arabia—along with Egypt, Iran and Jordan—should form an entente in the Middle East to make the region blossom and resist Soviet and radical advances. Presumably, the United States would like nothing better than to fashion an alliance of the richest, biggest and most technologically advanced countries in the area, but the none-too-small issue of Arab-Israeli distrust intrudes. Both Israel and Saudi Arabia fear Palestinian radicalism, but they profoundly differ on how to quarantine it. Israel wants to keep the Palestinians dispersed throughout the Arab world, while the Saudis want them to have a home next to Israel. The Saudis want the Islamic holy city of Jerusalem back under Arab control. The Israelis want the Jewish holy city of Jerusalem to stay under Israeli control.

Until the day of settlement or of energy independence, the United States is caught between its allies and between its interests. Israelis argue that Saudi Arabia needs the United States more than the US needs Saudi Arabia, and that demands for the F-15s can be refused without serious repercussion. But, this is not the argument that the Carter administration is now accepting. The President himself apparently was persuaded that serious consequences would follow

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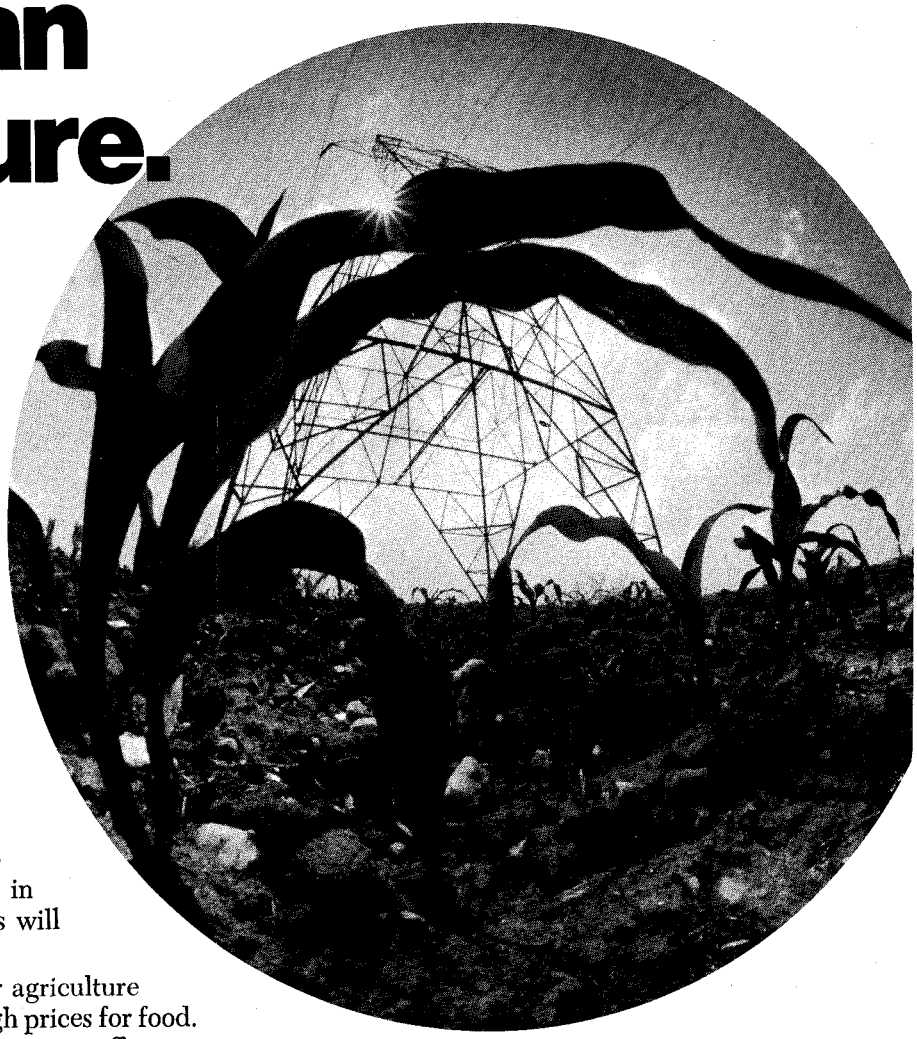
Energy shortages can mean real trouble for American agriculture.



From farm to table, our nation's food system uses more than one-sixth of all energy consumed in the United States. Of that, 75 percent comes from gas and oil.

These supplies are dwindling and competition for what remains is sharp. If our agricultural system comes up short in the energy scramble, food prices will come up sky-high.

But a shortage of energy for agriculture means more than scarcities or high prices for food. Its economic impact would be enormous, affecting people and jobs involved in every link in the food chain from growing, through processing, packaging, transportation, wholesaling, retailing, storage and preparation. Moreover, the agricultural products we export are immensely important to our foreign policy and balance of payments.

We of America's rural electric systems know a lot about farmers and ranchers, and the challenges facing the nation's agricultural system. For one thing, we provide power for two-thirds of the nation's farms—farms which produce more than 70 percent of the total U.S. agricultural output.

For another, we know that as American growers have become increasingly productive, they've become increasingly energy dependent. Looking ahead, they're going to need more energy, not less.

Warding off energy shortages for American agriculture is of utmost importance to American consumers and to our entire economic structure. Our nation's leaders *must* be keenly attuned to present needs and potential problems—*must* make sure that policies are workable in rural areas and equitable to our agricultural system.

America's rural electric systems

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from a refusal to sell F-15s. The case was presented to him directly by Saudi King Khalid, Crown Prince Fahd and other Saudi leaders during Carter's visit in January. Senators and congressmen visiting Saudi Arabia reportedly have been given similar extended lectures by Prince Fahd on the importance of the airplanes as a test of the Saudi-American relationship.

What would happen if the F-15s were refused? Administration officials and sources close to the Saudis insist that no threats have been transmitted explicitly, in keeping with Saudi style. Yet, Saudi insistence has set the administration looking to American vulnerabilities, and they are numerous. No formal US-Saudi agreement exists committing the Saudis to buy US currency and keep the dollar strong in international markets, administration officials insist, but a fall-off in regular Saudi purchases of US Treasury notes would hurt the dollar's standing.

Similarly, the administration does not expect Saudi Arabia to champion a ruinous oil price hike at the next OPEC meeting. For one thing, there is an excess of oil on the market at the moment, making a price increase difficult to sustain. However, Saudi Arabia in the past has been a strong influence for price restraint within OPEC and administration officials fear that if deterioration of the US-Saudi relationship led even to a slight letting-up in the exercise of that influence in the future, serious consequences could follow for Western inflation rates.

The administration also values quiet Saudi support for Egypt's risky peace initiative. Saudi and Iranian aid may be required in the Horn of Africa, since the United States appears politically unable to furnish it. The Saudis are unlikely to shift positions dramatically, suddenly backing the Rejection Front or abandoning Somalia, but the administration appears to fear that Saudi Arabia might begin to deviate from American policy leadership, even at a cost to itself.

Most serious, however, is the supply question. Saudi Arabia needs to pump only about four million barrels of oil per day to earn enough revenue to meet its modernization needs. Presently, it pumps 8.5 million barrels. The difference has been based more on political considerations than on immediate economic ones. The disagreement under way within the Saudi government now is whether it is in the country's long term interest to keep pumping to meet often-wasteful Western requirements, or to hold back and preserve Arabia's treasure trove for the long term future. Oil is worth $13 a barrel today as a fuel, but it may be worth $50 or $100 a barrel to the petrochemical industry in some oil-scarce future. Even as fuel, the less Saudi Arabia pumps, the more valuable each barrel becomes in a tight energy market.

The Carter administration expects the oil market to become very tight in the 1980s, and it is depending on Saudi Arabia to meet the needs of the West. Administration officials will not exactly admit it, but they expect the Saudis to increase production to 12.5 million barrels a day by 1985. Some say, 14 million or even 20 million will be needed. Without such quantities, some experts contend, the world faces $26 oil, ruinous inflation and, possibly, a depression. Serious scarcities might pit Europe, Japan and the United States against one another, with potentially disastrous consequences for NATO.

As against these dire possibilities, the Carter administration had to weigh the comparably awful possibility that Saudi F-15s might be used in a future war against Israel. The administration seems to have decided, on balance, that securing oil supplies from Saudi Arabia was more important. It knew that Israel's security arguments would be more persuasive in Congress. It was argued at the White House that the timing of its decision was atrocious and that the Carter administration would suffer severe domestic political damage, but the President went ahead anyway. Apparently he believed it was necessary to show the Saudis that he values the "special relationship." The administration obviously hopes that its sacrifice and a fight in Congress will keep the Saudis happy even if they get no F-15s.

Morton Kondracke

The IEA is trying
to tell us the party's over.

Killjoy of the Western World

The media crowds around the semiannual meetings of OPEC, desperately looking for scraps of news and gathering instead lots of gossip and speculation. Oddly enough, the press had devoted only a fraction of the effort to watching the International Energy Agency, which, after all, is supposed to be the oil consuming nations' answer to OPEC.

When the energy ministers of the 19 nations that belong to the IEA—including our own James Schlesinger—gathered for a two-day meeting last fall, the news just made it onto the financial pages. Yet the meeting was noteworthy for two reasons. There was a near consensus that world's energy problems are likely to get worse—much worse—in the 1980s. Second, the ministers pledged to work together starting today to try to deal with these problems before they become unmanageable.

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This inattention to the IEA is disheartening. The organization is perhaps the absolutely critical tool the western world has for coping with its fundamental energy dilemmas. Without it, the western allies could find themselves angry rivals in a battle for scarce and very expensive oil a decade from now.

The IEA emerged out of the shock and disarray of the 1973 oil embargo. The events following October 1973 pushed the western nations farther apart, emphasized deep clashes of interest, and left them open to be picked off one by one by the oil producers. Many suspicions, all growing out of energy, poisoned their relations. In order to reduce the tensions among the industrialized countries and to enable them to stand up against the producers, Henry Kissinger proposed in December 1973 that an energy association be formed to coordinate policies. Finally, in November 1974, the IEA came into formal existence, headquartered in Paris, partially under the umbrella of the Organization for Economic Cooperation and Development.

Only two industrial democracies stayed out. Australia chose not to join on the grounds that it did not want non-Australians having any say in the disposition of Australia's abundant energy reserves, which include perhaps 20 percent of the world's known uranium deposits. The French also chose not to join. They regarded the IEA as a Kissinger-inspired scheme to reassert US "domination" over Europe. They also feared that it would be, as one official put it, a "machine de guerre," a weapon of confrontation against the oil producers. "Just one of those Gaullist things," is the way a British diplomat put it.

Once established, the first task of the IEA was obvious—to plan for the last war—that is, to prepare for another embargo. The public needed reassurance. A common program was necessary to restore and maintain mutual trust among the western allies. Also, and here is the key point, the very existence of a common program should make an embargo less likely. It is a deterrent. It also exists to handle other disaster scenarios that could cause a sudden shortfall—an explosion in a Saudi field, a coup in Saudi Arabia, a military flareup in the Persian Gulf.

The emergency sharing arrangement is predicated on the principle of "equal suffering." It is a cooperative project, involving companies and national governments. The IEA collects and stores on computer tapes vast amounts of data about oil—rates of production around the world, stocks, costs, methods and modes of transport, types of oil required by different refineries, markets and distribution channels. No such data bank existed before. It has been an enormous undertaking to collect the information and keep it up-to-date.

As a fallback, each government is now supposed to maintain emergency reserves equal to 70 days' imports. By 1980 the level will be raised to 90 days. Each is required to have in addition an emergency rationing program that would reduce consumption by seven to 10 percent.

The emergency system goes into effect if normal supplies are cut back by seven percent. In the event of a crisis, the system would work like this: many members of the IEA permanent staff vacate their offices almost as in a fire drill, and representatives of national governments and the oil industry move in to help the IEA coordinate the allocation of oil. A "fast emergency information system" picks up data from all the participating countries and companies. The IEA is able to figure out how much oil is available in emergency stocks, on tankers already on the high seas, from member countries that produce oil (like US and Britain) and from any OPEC countries that do not join the boycott. Thus, each country can be allocated what is known as its "supply right"—its fair and equitable share.

Will the system work? One test was run in 1976, at a cost of $100,000. Mythical tankers were allocated with dispatch, and the run-through is generally thought to have been a success. Another test will begin in April.

The main purpose of the sharing system today is to ward off another embargo. But, increasingly, it appears that it might be used in a different circumstance—if the world oil market suddenly becomes tight and supplies get scarce in the middle or late 1980s, as now looks increasingly likely.

Preparing for that scenario has become the IEA's principal task. "Unless present energy policies are strengthened, there is a serious risk that as early as the 1980s, the world will not have sufficient oil and other forms of energy available," the 19 ministers warned at their meeting. "Such a situation," they pointedly added, "would have severe economic, social, and political consequences in all IEA countries and throughout the world."

"Each year," Schlesinger commented at the meeting, "our forecasts are more depressing than the previous year's forecasts." Pessimism is still much in evidence at

With this issue, Joyce Carol Oates joins *The New Republic* as a contributing editor. A novelist, poet, playwright and critic, she has written more than 20 books, including *Them*, which won the National Book Award for 1969, *Wonderland, Marriages and Infidelities, The Assassins, Childwold,* and the forthcoming volume of poetry *Women Whose Lives Are Food, Men Whose Lives are Money* (LSU Press). Miss Oates is professor of English at the University of Windsor, in Ontario, and edits, with her husband Raymond Smith, the *Ontario Review*.

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the IEA, where official after official finds himself watching in amazement as the Western nations through inertia allow control over their own destinies to slip from their hands.

"What is haunting us now," said one official, "is not another embargo. It is quite something else—an energy shortage in the medium term with devastating economic consequences."

Opinion polls in most western countries point to the same fact again and again—that the public generally believes that the energy crisis is a thing of the past. But such a view represents, as the communique issued at the last IEA ministers' meeting in October declared, "ill-founded complacency."

For all the work and analysis conducted and collated by the IEA suggests that the crisis is only resting, and that we will probably face a very difficult situation in the late 1980s, one that will make that of 1973-74 look rather tame by comparison. "All available evidence points to a serious risk of a serious energy crisis in the middle or late 1980s," said Ulf Lantzke, the German executive director of the IEA. Formerly the chief of the energy directorate in the Economic Ministry in Bonn, where he was something of a whiz kid, Lantzke is widely considered one of the most experienced and perceptive analysts of energy economics in the Western world. He has been convinced for at least two years of the likelihood of this crunch, and dismayed at the lack of public awareness. "Unfortunately, few are prepared to believe."

In the *World Energy Outlook*, at the beginning of 1977, the IEA predicted that world demand for OPEC oil would reach 40 million barrels a day. Even assuming that the OPEC countries would want to produce at that rate, they would be getting close to their physical capacity. Currently, demand for OPEC oil is running at something over 30 million barrels a day, leaving the producers with a good deal of extra capacity. That slackness in demand is what led them to put off a price hike at their meeting in Caracas last December.

And what would be the consequences of a surge of world demand toward 40 million barrels? "Supply shortages or suddenly sky-rocketing prices—or both," said Lantzke. Almost certainly, prices would go up, for the world oil market would once again be a seller's market. Prices could swiftly double—which is exactly what Sheikh Yamani, the Saudi Arabian oil minister, predicted in Caracas in December.

"The impact on economic activity would be substantial," said Lantzke. "Putting it simply, there is the very great likelihood of a major world depression." The picture today is even bleaker than when the World Energy Outlook came out 14 months ago. The IEA now forecasts that world demand for OPEC oil will be 42 million barrels a day in 1985, not 40. The main reason for this change of forecast is not increased economic activity, but reductions in the projected supply of alternatives to OPEC oil, in particular, by what Lantzke described as "the slippage that has taken place over the last four years in the nuclear programs of industrialized countries." (See Daniel Yergin: "Europe's Nuclear Disappointment, *The New Republic*, January 7, 1978).

It is possible that new sources of oil outside the OPEC will be found. So far, however, such sources are not in sight. "There has not been as much success with oil as we had hoped" said James Reddington, an American who is the IEA's chief economist. "We would have to find a number of elephants—huge new oil provinces. So far, there has been only one, and that is Mexico, and it was already obvious two years before the crisis." Even if a couple of more elephants were found in 1978 or 1979, the lead times for development are such that it might be 10 years before the oil would begin making any noticeable contribution.

An important success for the IEA was defining a common objective for member states, and then getting them to agree to it at the meeting last October. That goal is to hold total oil imports by all members in 1985 to 26 million barrels a day instead of the 33 million barrels that now looks likely. If the smaller figure is attained, then the overall world demand for OPEC oil would be 35 million barrels a day, not 42 million—meaning that Sheikh Yamani and his colleagues would not be in a position to make exorbitant price demands.

Right now the country that figures most prominently in the plan to forestall a crunch in the late 1980s is the United States. Half the oil used in the 19 IEA countries is used by the United States. If the IEA is to reduce anticipated imports from 33 million barrels a day to a tight 26 million, then half of the savings (or 3.5 million barrels a day) will have to come from the United States.

So far just the opposite has happened. In the few years since 1973, US imports of foreign oil have increased by several million barrels. As a senior State Department official admitted, "It is always a *little* embarrassing when we go to the IEA in Paris." Unless the US begins to conserve in earnest, the hopes for stabilizing the energy situation are unlikely to be fulfilled. Indeed, the IEA can only be as effective as the major industrial countries allow it to be.

There are obvious limits to what the IEA can do. At its very best, it cannot be much more than an energy conscience, a superego in command of the data, tapping governments on the shoulder to tell them that they are slacking off or going in the wrong direction. Governments do not always want to hear such criticism, and the IEA must be perennially careful not to say anything publicly that could offend or embarrass a member government. Privately, however, the IEA staff agrees that its advice, coming from outside, can be very useful in resolving domestic debates.

"On the energy issue, we are all living under shells," one disappointed IEA official said after a recent tour of the United States. "Evidently the IEA has not lived up to the challenge of making the public aware of the inter-

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dependencies in the energy question. Maybe this is not our task, but somebody has got to do it."

Daniel Yergin

Daniel Yergin is a member of the energy research project at the Harvard Business School and most recently the author of *Shattered Peace: Origins of the Cold War and the National Security State* (Houghton Mifflin).

Absolutely, Mr. Mobil
Positively, Mr. Shell

The Lords of Houston

If one is ever in danger of forgetting that worldly things can lift the spirit, the quickest cure is to go to Houston. To be in a booming city, set in the booming economy of a booming state, at once puts a spring in one's step. One may then go away and criticize the oil corporations, disparage the oil bankers, vilify the oil lawyers, but there is no doubt that, if one does not think about it too deeply, there is an exhilaration in the heady air of success and affluence. No one talks in Houston of the bankruptcy of cities; no one thinks of Zero Population Growth. Corporations arrive. Banks arrive. Lawyers arrive. Accountants arrive. Oil arrives all the time, of course, and always more money arrives. (Then quickly the artists arrive!) Growth is the Bitch Goddess of the city that reasonably calls itself the Oil Capital of the World.

Everything grows there. (It is perhaps symbolic that its climate gives Houston a growing season of more than 300 days a year.) Even the British consulate grows. It used to be something of a backwater, even though the territory for which it was responsible spread far north into the mountain states, but with the discovery of oil in the North Sea, Her Britannic Majesty's consul in Houston has become a lustrously important potentate. Men toil in the bitter cold on the rigs in the North Sea, and the British consul in Houston rests on their laurels, among the palms and the hibiscus, the oleanders tossing on the streets where he makes his stately progresses, able again to believe that the sun will never set . . .

When I was living in Houston in 1974, I was invited by the British consul to attend a cocktail party in his residence, which he was giving for the Offshore Oil Technology Conference. (One sometimes has to make a bow to people in trade.) The Labour Party had just been returned to office in Great Britain, and the American oil companies which had undertaken to extract the oil from the North Sea, fearing that Harold Wilson was a rabid man of the left, needed to be reassured that he would not confiscate or nationalize their assets or their profits, as had happened in some other backward countries in which they operated.

I was then new to Houston, and did not know its men of power. So the representatives of the oil corporations—the toppest of the top—were either introduced or pointed out to me. But I slowly realized that none of them were introduced by their names. Instead it went something like this: "Have you met BP? . . . That's Shell over there. . . . Come and meet Exxon. . . . Gulf has just arrived . . . That's Mobil by the window, talking to Standard". The oilmen were being addressed as peers of the realm; it was exactly as if they were dukes and earls being summoned in a Shakespeare play. "Come, Northumberland, to horse! And you, fair Somerset, to arms! Be you this day, brave Sussex, our comrade in the thick! Norfolk! Warwick! Gloucester! Affright our foe! Come comely Cumberland!" The oilmen in the British consulate in Houston were also known by their territorial titles.

As the barons at Runnymede wrung the *magna carta* from King John, what concessions of their privileges can they not wring today from the state? They were there to make certain of their concessions from the British government. Because of the smallness of his majority in the House of Commons, Wilson had not been able to send the Minister of Energy, but the man he did send was even more valuable, the Permanent Secretary of the Energy Department. Like most of the senior civil servants in Britain, he looked like a classics master at a minor public school. While the scotch flowed down the oiled throats as if from the Alaskan pipeline—the British government never economizes on such proven aids to diplomacy—he mopped his brow even in the chill of the air conditioning.

Drawing by La Mouche

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He had little to say, he began, he knew they were busy men. Her Majesty's Government was delighted that they were developing the oil fields in the North Sea; of course they should have their reward; Her Majesty's Government would not take much; but it did think that it should be allowed to keep just a tiny bit of the earnings; and anyhow there was really no more secure investment that the oil men could make; Britain at least had—well, stability, you know; not like some—ahem!—less old countries. Not new countries, notice, less old countries! This last point was masterfully made. A mop of his brow, his eyes turned deprecatingly to a frangipani, and the oilmen were in his hand. If King John had had him at Runnymede!

For indeed the oilmen had had their fingers burned in some of the less old countries. But the story tells something even more interesting. The longer I stayed in Houston, and the more oilmen I met, the clearer it became how insecure they are. They feel embattled, that the world is against them, and their virtue goes unrecognized. You can sit at dinner in the home of an oil banker, the trappings of his wealth all around him, and as long as you talk of art or philosophy, or of the origins of the Dionysian legend in mythology, he is as expansive as one would expect after his jumbo martinis. But ask him one question about the revenues of the oil companies, and a lid is clamped down on the gusher. "I will not talk about that. It will only be misunderstood." Yet an hour later in his sitting room, the floor is littered with the 13 volumes of the *Oxford English Dictionary*, as he talks expansively again about etymology.

The only oilman who talked to me openly and straightforwardly, even enthusiastically, about the oil industry was a wildcatter. There are few wildcatters left, very few who ever strike oil, and they are not like the wildcatters of the past, grizzled and raunchy, and with a touch of the poet in them. The wildcatter whom I knew is perhaps the only one in recent years to make a big hit. But he had studied geology and then more geology at the university. "The oil is not just there to be found any more. You can't just say, 'This is oil land,' and dig a hole. The large deposits have all been discovered. The few worthwhile deposits that remain to be found are where you don't expect them. It takes years of intricate study and detailed calculation to be able to say that there's oil. You no longer drill in the hope of finding oil—that was the real wildcatter of the past—you drill when you know on paper that there is oil."

The independent oilmen in Houston detest the large corporations, saying that they are only interested in taking out the easy oil, that there is much more oil in the United States than they admit, if only they were prepared to work for it. But perhaps above all they criticize the stranglehold which the large producers and refiners have on both distribution and marketing, which they claim merely encourages more incompetence and waste for the sake of easy profits. There may be much to what they say, but it is wise to remember that the independents have their prejudices, and that the oil corporations have a strong case to make for the vertical control of their industry.

But still what one does not understand about these great barons of the corporations is their fear of criticism. Out in the Gulf lie the huge tankers, waiting for the tide, where a lighter stretch of water shows the mouth of the great ship channel. Along the coast and up the channel into the heart of Houston, there stand the phantasmagorical shapes and structures, spirals and flares, of the largest petrochemical concentration in the world. In downtown Houston, the new skyscrapers glisten. They are connected underground by a warren of carpeted tunnels, for pedestrians only, even the ceilings and walls carpeted in some of them, so that one can hurry from corporation office to law office, and of course to investment bank, without the bother of negotiating the traffic. There are the branches of banks from overseas, including none other than the Royal Bank of Scotland, to show how cosmopolitan the industry and the city have become.

The life is rich. It is said that the private collections of painting and sculpture in Houston are now worth more than in any other city in the world. Behind the wealth of the oil industry lies the wealth of one of the strongest economies in any state of the union. Houston itself does not depend only on oil. It is the commercial center of a huge region of the most richly diverse industry and agriculture that can be imagined. The county over which Houston sprawls its industry and its commerce is said still to have one of the largest populations of cattle in any county in the nation. Two crops of rice are still gathered in it each year. The city fathers of Houston have always been aggressive. The long battle with Galveston was won with the help of the elements, when Galveston harbor was devastated by a hurricane at this century's beginning, but the city fathers never had any scruples in the methods they used to destroy their rival's many advantages. When they heard that a small neighboring city was thinking of expanding, they at once met overnight and annexed all the land around it, and today it is only an unidentifiable part of Greater Houston.

Always on the march, Houston is still on the march. Always on the make, it is still on the make. Yet in this atmosphere of opulence and security, the oilmen talk and act as if they were engaged in a questionable business. As in their plushy advertisements and sponsorship of cultural programs, they simply will not say that they are in it for the profits, and that from their ability to make profits the country reaps some benefits. The result is that, however much one inquires, it is hard to know what the corporations are doing; the suspicion of the public is fed, and the oilmen in turn grow more paranoiac. The exhilaration of a booming city ought to be reflected in the exhilaration of its most booming industry. But instead they hold the country at arm's

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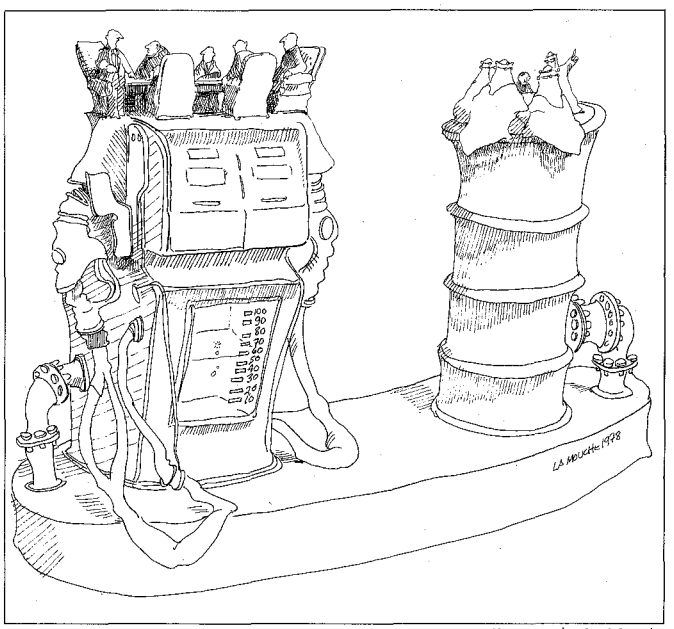
American giants like Continental Oil, Occidental Petroleum and Phillips. For decades they have regulated the world's supply of petroleum, dividing markets and fixing prices. More recently they have moved to control competing fuels like coal, uranium and of course natural gas. They sit complacently and inactively on a huge store of oil shale, leased from the federal government, calculated to contain 350 billion barrels of oil or enough to meet our needs for more than 40 years at the 1980 expected rate of consumption.

Nor is it at all clear that the Seven Sisters' control over world markets has been seriously weakened by the nationalization movement and other aggressions in the Middle East countries. The multinational companies still manage actual production throughout the OPEC empire and also own and run the worldwide facilities for transportation, refining and marketing. Reviewing recent history, a former chief economist of the Senate antimonopoly subcommittee wrote, "The relationship between the international oil companies and the exporting countries was clearly symbiotic, defined in *Webster's New World Dictionary* as 'the intimate living together of two kinds of organisms, especially where such association is of mutual advantage.'" Certainly there is no sign of suffering among the multinationals since OPEC startled the world with its temporary embargo, followed by record-breaking price hikes, in 1973. The effect was to increase profits (from 1972 to 1977) by 75 percent for Exxon, 98 percent for Gulf, 67 percent for Mobil, 86 percent for Standard Oil of California, 31 percent for Texaco, 142 percent for Continental Oil, and so on. These gains were attained despite the fact that petroleum production in the United States has been steadily reduced since 1973.

The conclusion seems clear that the present situation, which we officially call a crisis, is not an economic bed of nails for those who control it—OPEC and the Seven Sisters. A well known fact in the literature of economics is that *all* producers of petroleum, if they can work together, can benefit by limiting growth of world petroleum output. Within broad limits, it pays in terms of increased profits to *reduce* output. Notoriously, demand for the product is inelastic, meaning that demand is built into our cars, roads, the configuration of our cities and suburbs, and our heating plants under conditions that cannot be easily or quickly altered. What this implies is that neither the United States nor any other consuming nation can safeguard its energy supply without controlling the controllers.

The fundamental difficulty with the President's National Energy Plan is that it disregards these inescapable facts. It concentrates—as will Congress's revised version—primarily on stimulating conservation, aside from substitution of coal for oil and gas where it is possible. Excessively complicated, containing more than 100 different proposals, the plan uses such devices as a five-cent tax per gallon on gasoline—in what the average citizen could tell the President (or Energy Secretary James Schlesinger) is a fanciful hope that this would lead people to move closer to work or forego trips. Not all the provisions, to be sure, are that futile. Even so, though conservation is long overdue in the United States, it can at best go only a short way toward solving the energy problem. The



Drawing by La Mouche

Congressional Budget Office estimates that the President's plan would barely diminish the volume of petroleum imports, if at all, even by the end of his second term, if he wins it. And the CBO, in its study, gave the President all the benefits of the doubt.

Other measures, thus far eschewed by both Mr. Carter and the Congress, are needed. Fortunately the present is an especially propitious time to undertake them. This brings us back to OPEC, the Seven Sisters, and the already mentioned glut in world oil markets. Oversupply of petroleum is the beckoning finger of opportunity for American public policy. It resulted in part from the international stagflation induced by the original OPEC price hike and the present inability of Saudi Arabia, Iran, Iraq, Libya and the rest to curtail their own output. But contributing to the glut more powerfully are the new supplies beginning to gush from the Alaskan pipeline and the North Sea. These economic realities, not benevolence, led the OPEC nations to defer a new price boost last December. Accustomed to their easy-come-easy-go bonanza, the foreign oil chieftains are vulnerable and apparently know it, particularly since excess supplies are expected to persist for another five years. Algeria, Nigeria and Libya have already made significant cuts in their premium light crude oil prices. Even modest pressure by the United States (the world's greatest consumer), it would seem, may yield what is now most urgently needed: substantial reductions in the world price of oil.

One possibility, which is not without precendent, is for the United States to place a top limit on the total

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dollar value of its annual petroleum imports. In the first year, say the 12 months beginning in April 1978, the limit might be fixed just a bit below current usage, assuming no change in prices. That would be the first step. The second would be for the US Department of Energy to invite exporting countries to submit closed bids for securing a share in the quota. To be sure, all OPEC members *might* respond in unison with their current fixed price, $13.50 per barrel. But the quota could not accommodate all sellers, with their expanding supplies, including those outside OPEC like Mexico, Great Britain and Canada. In the mutual zeal for sales—and the current price is far above costs everywhere—some possibility of price-cutting cannot be disregarded. Obviously the lower bids, if any, would be accepted first in building up to the maximum volume of imports allowed. In any event, in the second and subsequent years the screw could and should be tightened, though not without careful calculation.

All will depend on effective management of our own resources. Quotas on imports could be gradually reduced from year to year, soon yielding a fall in the quantity as well as the price of oil crossing American borders. That would be the objective. Dependency on foreign sources would be diminished and with it the financial drain that has inhibited economic growth. But any drop in the *quantity* of imports would have to be matched by some combination of conservation and increased energy output at home. Which returns us once again to the Seven Sisters.

The emphasis will have to be placed on expanding our own energy production. Wasteful as we are, conservation will not save much energy in the United States in the foreseeable future without resort to gas rationing, and perhaps other unlikely jolts to the American way of life. That was the burden of the Congressional Budget Office's frank critique of the President's plan. Therefore, for the most part, a larger measure of energy independence will have to purchased, unit for unit, with increased output of energy at home. It is at this point that the obstacle of the Seven Sisters appears. The domestic oil cartel owns or leases not only almost all petroleum resources but also 47 percent of this country's uranium ore reserves, 41 percent of its uranium milling capacity, 12 percent of its known coal reserves, and a substantial share of its oil shale and geothermal resources. (The figures are those of the Senate subcommitte on energy research and development.) Secondly, as observed earlier, the eagerness of the oil companies to increase output cannot be taken for granted. On the contrary, the monopolist's path to maximum gain is through judicious restriction.

Energy experts most often concern themseves with the technical and physical barriers to increasing energy production. Those barriers are stark and formidable. But the point I stress here is that they cannot be overcome without surmounting two other obstacles first—the cartelization of energy resources and the monopolistic propensity to restrict.

Probably the only sure key to that achievement is to accord the nation's petroleum companies quasi-public utility status, on the grounds that they are at least as essential to the public interest as electric and gas utilities. In contrast with the present situation of trade secrecy, their books would be opened to public representatives who would check on them. It would be quite proper, at least after investigation and hearings, to set production quotas for each company embracing all the resources under its control. All would be enlisted in a truly national plan, or in a "moral war" if the President preferred it that way. Tax penalties would be imposed for failing to meet quotas, tax benefits awarded for exceeding them. Price controls would be necessary (as they are for all utilities) not so much to limit monopoly revenues as to direct profit-making activities into channels consistent with what Galbraith has called the public purpose. But of course that should be the objective of all utility regulation—to ensure that resources are used efficiently and as fully as the public requires.

If the energy crisis has really mounted to the stature of a war—as the President and most experts believe it has—another step may be warranted. This would involve resurrecting and broadening a bill introduced in 1974 by Senator Adlai Stevenson for a government energy corporation. Its primary objective would be to undertake petroleum production and extraction of oil from oil shale on public lands, in part to serve as a yardstick for regulation of the private companies. A second objective would be research, especially in exploitation of the longer term energy options—solar, geothermal, uranium and fusion. Nor should the technical problems in petroleum itself be neglected. For example, most oil fields that have been "drained" commercially still contain about two-thirds of the oil they held when broached. If present technology is improved to lift the dregs from the bottom of these fields, a huge new resource will be opened.

Unlike the official assumption in Washington, there are a few respected authorities who doubt that there is an energy crisis, in the *physical* sense, or that one is imminent in the foreseeable future. MIT's Morris Adelman declares, "The crunch that Schlesinger talks about so eloquently is like the horizon, it recedes as you approach it." The present writer recently read an impressive report, dated 1937, that predicted an end to the world's oil supplies in 25 years. But no one can doubt that there is an energy crisis in the financial and political sense—in the stranglehold on supplies retained by OPEC and its multinational oil company allies. Nor can we be certain enough to dismiss lightly the possibility of real shortages in the next decade or two, unless preventive action is taken now. The great problem in the plan outlined above, politically, would be to keep the new federal corporation (and the Depart-

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ment of Energy) out of the clutches of the Seven Sweet Sisters. All the watchdogs, within and outside the government, would have to be alerted as never before. Franklin D. Roosevelt once said, "The trouble with this country is that you can't win an election without the oil bloc and you can't govern with it." This may be the point in history in which politicans *have* to face up to the cartels, foreign and domestic.

A compromise on national energy policy.

Living with Imports

by S. Fred Singer

Most of the Congress would probably agree with the objectives in President Carter's energy plan—to conserve energy and reduce oil imports. But Carter's methods have raised vehement opposition. Since the methods are very complicated and delicately arranged, the plan may not be robust enough to withstand the inevitable tinkering that comes about when politicians see an opportunity of disposing of a tax, in this case estimated to be of the order of $15 billion a year. This tax amounts to the difference between the production cost of domestic oil and the price which the consumer would have to pay. Who gets this tax revenue and what is to be done with it is of course at the heart of the struggle.

In order to sell the plan to the nation and to the Congress, the administration has brought forward a number of arguments designed to impress people with the dire consequences of not adopting the plan. Unfortunately, these arguments do not always stand up under scrutiny. In that sense, they have reduced support for perfectly valid objectives. It is as if a lawyer had a client who was innocent, but then brought in witnesses who implicated the client so as to destroy his credibility. The client is still innocent, but the lawyer may lose the case.

For example, Carter and James Schlesinger have made the point often that the world will run out of oil. Is that really true? Well, not exactly. For every barrel of crude oil extracted today more than two barrels remain behind because they are too expensive to pull out. I estimate that by the year 2050, the world will have used at least two trillion barrels of crude oil, but something like three trillion barrels may still be in the ground. In addition, there are several trillion barrels of shale oil, a trillion barrels or so of oil from the Canadian tar sands, another trillion from the Venezuelan tar belt—which may or may not be extracted.

If the price is right, of course, they will all be turned into synthetic oil. Most people believe that within the next decade or two many of these resources will be added to the crude oil resources of the world. In addition, there is a huge amount of coal which can be liquified and turned into a perfectly respectable oil—but again at a price. My view, therefore, is that the price of oil will rise slowly as crude oil becomes increasingly costly to extract, but there should be no great crisis in the mid-80s or at any other time. Studies which show a gap between demand and supply generally neglect the effects of rising prices on dampening demand and on encouraging new production. When the price reaches a certain higher level, then other resources, such as shale, tar sands, or coal, will gradually phase in. Conservation of oil will stretch out the life of the resource, or, more accurately, it will delay the rise in price. The cheap oil will then last longer, and its replacement by some synthetic oil will come later.

There are two valid reasons why the US consumer ought to use less oil. One is that the import of additional oil increases the security problem. The other reason has to do with the fact that the consumer is now paying a subsidized price for oil produced in the US—less than what it costs to replace the oil that is being consumed. Every additional barrel of oil must now be imported, and imported oil, at around $13.50 per barrel is much more expensive than domestic oil, whose cost of production averages about half that because it includes very cheap oil discovered as far back as the 1930s.

Just the same, importing about half the oil we use is not an economic calamity of the sort that has been pictured. After all, Germany and Switzerland import all of their oil. It is true that we are spending on the order of $45 billion annually for imported oil. But this sum is not "draining the United States" or causing us other

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economic hardships. Think of it this way: the money returns to the United States because the petrodollars are recycled. To simplify the discussion, assume that there is just one Arab oil producer and that the Arabs use all this money to buy goods from us—let's say, luxury cars. This means that they give us oil and we give them cars. If they do not spend all of the money on goods, then the balance has to be invested, which is actually quite favorable for us. Because the money is invested it creates more capital for industrial expansion, which helps produce more jobs.

Now while $45 billion is a great deal of money to have floating around, consider the alternatives. Suppose we decided to produce the additional energy domestically instead of importing oil from Arabia. The cost of producing the energy would be at least $45 billion—otherwise we would be producing it now and wouldn't need to import. This means that at least $45 billion worth of resources would be required to make additional domestic energy. These resources would not be cars, but would be drilling rigs, oil pipe, mining equipment, etc. As far as the overall economy is concerned, however, it makes little difference whether we are manufacturing rigs or cars. In fact, with idle plant capacity in Detroit, it is better for our economy to make cars. Even the sale of arms, regrettable though it may be, provides jobs for aerospace workers, and it also makes the cost of arms lower for our own Pentagon because of mass production economies.

This illustration should put to rest the fear that if we transfer huge amounts of money to the Arabs, they in turn will use this money to upset our banking system, by refusing to recycle the dollars or by shifting the money from one country to another. By now the investments of OPEC in the United States are so great that irresponsible actions of this sort could hurt the Arabs directly or indirectly as much as they would hurt us. Arabs, like everyone else in the world, would rather not lose money, if given a choice.

Another fear is that OPEC may raise the price of oil with impunity any time it wishes. This fear does not stand up to detailed analysis. If OPEC's members can raise the price just like that, then why aren't they doing it? The answer is that to raise the price, the cartel must restrict its production; and then the question is, who is going to cut down his production, and therefore, his income? So far, Saudi Arabia has been willing to do this, together with some of the smaller oil producers on the Arabian peninsula. As far as they are concerned, the present price is just right and gives them their maximum return.

The main argument against oil imports now becomes a security argument. What if the imported oil were to be cut off? This question needs to be taken seriously, although it is not as serious as many people believe. For example, it is not possible for the Arabs to target an embargo just against the United States. They do not control the tankers, routing, trans-shipping terminals and refineries. As in the 1973 embargo, the major oil companies would switch supplies so as to bring non-Arab oil to the United States and Arab oil to the rest of world. The Arabs can, however, declare an embargo against the whole world by simply reducing their production of oil. If Saudi Arabia were to close down its wells, this would raise the world price greatly and present a very serious problem to the world community. It would be much less of a problem to the United States since we have 50 percent of our oil coming from domestic sources, and since we have, in addition, other energy sources, such as gas and coal. (Arab oil supplies only 10 percent of our total energy needs.) Of course, the repercussions would be most serious also for Saudi Arabia. Their current income would be immediately cut off, affecting their ambitious development projects. This would lead to great internal difficulties and possibly even rebellion. It is therefore in their best interests not to interrupt or even curtail the supply of oil to the rest of the world, particularly since they have by now developed a great deal of interdependence. Furthermore their military security depends on maintaining the goodwill of the West, and especially of the American public.

This still leaves open the possibility of accidental interruption of the oil supply, or of sabotage by third parties—against the wishes of Saudi Arabia. But this danger can be met quite successfully by a strategic stockpile of oil; the one we are now constructing would give us nearly a year during which we could develop a response to whatever caused the interruption of oil supplies. Other oil-consuming nations are setting up strategic stockpiles in accord with agreements made under the auspices of the International Energy Agency.

Conservation, though useful for strategic reasons, is primarily a domestic issue. There is little we can do to influence the price decisions of OPEC members. They will not respond to pleading, cajoling, threats, or promises. And there is no point in making any agreements or special deals. OPEC members will do what is economically best for them, and the rest of the world will have to resign itself to this fact. For some decades to come, the world price of oil will be controlled in a monopolistic fashion so that oil will be more costly than it would be in a free market. It is a matter of small consolation that this will result in more worldwide oil conservation than would occur at the lower price. The major victims of the OPEC pricing policy are the poor nations of the Third World, which do not have their own oil resources. The wealthy industrialized countries are much less affected, and those that have their own oil resources, such as Norway, England, and the United States, are even less affected.

Paradoxically, this domestic oil, which is such a blessing to the United States, is also a point of political difficulty. When Europeans criticize us for our wastefulness, they neglect the fact that energy has

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How good is the bologna in that sandwich?

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Hamburger	Bologna	Tuna Salad	Peanut Butter
(¼ lb. raw beef, cooked, 1 tbsp. catsup) on bun	(3½ ounces bologna, 1 tbsp. mustard) on white bread	(3½ ounces tuna, 1 tbsp. mayonnaise) on white bread	(1 ounce peanut butter) on white bread

The bologna sandwich earned our lowest vote of confidence.

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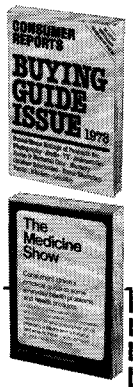

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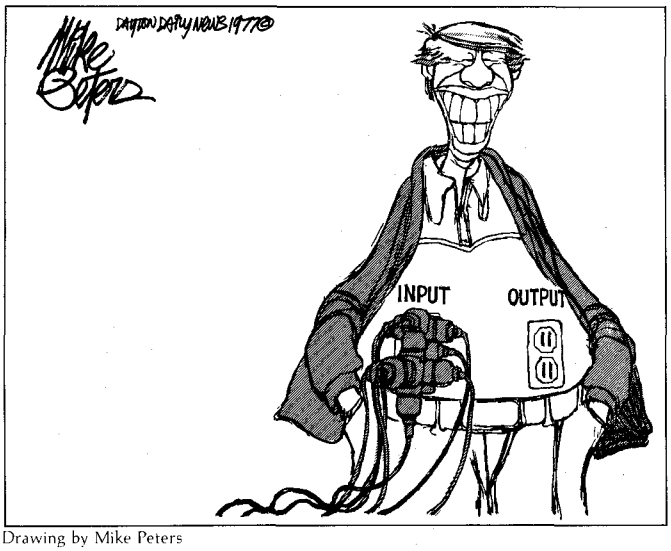
been cheap in the United States up until now, just because we have such great domestic resources. There was, therefore, no incentive to conserve. In Europe, where there was no cheap domestic oil, the increase in the world price in 1973 was simply passed along to the consumer. In the US this has not happened. We have



Drawing by Mike Peters

instead a system of controls, with different prices for different "vintages" of oil. This is creating a large bureaucracy with a vested interest in maintaining the system. It has hurt some parts of the energy industry—those that would produce more oil if prices were free. But it has also given extraordinary benefits to other parts of the industry, for example, to small refiners. Overall, this has resulted in a distortion of the economic system, which always lowers its efficiency and, therefore, is ultimately costly to the consumer. The Carter plan rightly addresses this major problem of split prices and tries to present the consumer with a single price, the world price of oil. The question is, how best to achieve this objective?

On the one side are the advocates of a free market. They argue for deregulating the price of oil. Not only would the Government get out of enforcing price controls, but all domestic oil prices would automatically go up to the world price, and fluctuate up and down as the world price changes. The consumer would then pay that price, instead of the present lower average (of controlled domestic and uncontrolled imported). He would be inclined to waste less and conserve more, and the oil industry would have the incentive to produce more. The result: US imports would drop. What's wrong with this approach? Well, the oil companies with old wells that were drilled at a time when the price of oil was only $3 a barrel would be getting much more for their oil than they ever expected. This so-called "windfall" would add to their profits. The advocates of straight deregulation say that this is all right. The companies would use these profits to find more oil; and if any profits were left over, they would be taxed in the normal way by the Internal Revenue Service. The opponents point out, however, that one cannot force the companies to spend their profits on energy investments. They might, for example, use the cash to buy up other industries.

The popular feeling that windfall profits to the oil industry are somehow immoral is so strong that there is little chance that oil and gas prices will be deregulated outright. In fact, the administration's plan does not allow for deregulation at all. Instead, the price of oil is fixed at several levels appropriate to the approximate cost of the oil at the time the well was drilled. There is a price for "old" oil for wells drilled before 1974, a price for "new" oil between 1974 and 1977, and "new new" oil after 1977. In addition, there are higher prices for oil from very small wells, so-called "stripper" wells; from wells where special production methods have to be employed in order to extract more oil, so-called tertiary production; and there will inevitably be special prices set for Alaskan oil, for certain kinds of California oil, and so on. But since one drop of oil is pretty much like any other drop of oil, it will take a rather elaborate enforcement mechanism to make sure that the companies are indeed charging the right amount for the right kind of oil. The companies in turn will have to employ many more non-productive people just to keep records, fill out forms, and figure out ways of getting around the government regulations—all of which will add to the general expense of the system. The consumer, or course, pays the bill for this loss in productivity twice over, first in taxes, and then in a higher price of oil.

But the system of fixed prices to the oil producers has further problems. First of all, it cannot really extract *all* of the windfall profits. That would mean setting a separate price for each oil well, depending on the cost of the oil from that particular well; and that is certainly not feasible. Also, the cost of the oil increases with the depletion of the well. And if the cost becomes larger than the price that can be obtained, then the well will be abandoned. This means that many of the pre-1974 wells will be abandoned prematurely, unless special regulations are put into effect.

Finally, after fixing the wellhead price on each vintage of oil, the Carter plan proposes to bring the price to the consumer up to the world price by adding an appropriate tax, the tax being largest on the lowest-priced, old oil, and decreasing appropriately with the price level of oil. But the world price fluctuates constantly, in response to variable demand and supply conditions, tanker rates, and other market factors. In fact, there is no such thing as a single "world price of oil." Each type of oil moving on the world market commands a different price, depending on its quality, its sulfur content, its specific gravity, its point of origin, and the needs of refineries, which in turn depend on the weather and on other extraneous conditions. It is not clear how a fixed wellhead price, plus a tax, can be constructed to follow a large number of moving targets, namely the "world price."

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I would suggest a compromise that would probably satisfy no one 100 percent, but might be acceptable to those who want a deregulated price in order to diminish the bureaucratic interference with the industry, as well as to those who want to extract windfall profits from the industry.

The idea would be to deregulate prices, gradually if desired, but to put a fixed production tax (or severance tax) on old oil, that is, oil produced from pre-1974 wells. Its amount would decrease with time to match the depletion of the wells. This tax would go to the Treasury and would serve to extract the bulk of the windfall profit. With old oil currently regulated at $5 a barrel, an $8 tax would lead to a total price of about $13, which is close to the world price. As the world price fluctuates, so would the price received by the oil producer. Any profits that he makes would still be subject to the usual corporate profit tax. In addition, any dividends paid out to stockholders would be taxed again. The Internal Revenue Service would make sure of that. The scheme can be looked at as a way of withholding most of the profit in advance. It will not please the industry which would like to use this money for further investments. And it will not please the anti-industry forces who would like to extract 100 percent of the windfall profit. But it is a rather simple way out, and it does result in immediate or gradual deregulation of prices, depending on how Congress views the matter.

A similar scheme could be used for natural gas by putting a production tax on old gas which now sells for a price far below what would be achieved in a free competitive market. Here again, the main idea is to keep the situation simple by deregulating the price, but adding a tax which extracts most of the windfall profit. If Congress later feels that more money is needed for oil and gas investments, then the size of the tax could be reduced, especially as the wells become depleted. In any case, in a few years' time, all of the old gas and old oil will be gone, and the perturbation in the world energy market introduced by the OPEC price rise will have disappeared. We will then be in sort of a normal position, with deregulated oil and gas prices and little, if any, federal production tax.

There would be no need for special prices (or subsidies) for stripper oil, tertiary oil, Alaskan oil, etc. They would all compete and become available provided their cost didn't exceed the price. A good many problems would therefore be solved automatically by the operation of a free domestic market. The fact that the price is controlled by OPEC would not really matter. To allay fears that OPEC might jump the price again and cause windfalls to domestic producers—a very unlikely possibility—one could set up a contingency production tax on domestic oil. In my view, the depletion allowance on oil and gas could be completely abolished. The removal of this tax break will result in a slight drop in production, but that would involve only marginal, high-cost oil and gas. A deregulated price should be an adequate production incentive.

This scheme would meet President Carter's objective, by raising the price to the consumer to the world price, and thereby insuring an increased amount of oil conservation. The rather large tax collected by the Treasury could be used to reduce the Social Security tax, or it could be offset by a general tax cut. In the case of natural gas, freeing the price would probably obviate the need for importing the much more expensive liquefied natural gas, which is now being contemplated. With gas prices deregulated, there may be enough incentive for the industry to find more domestic gas to meet our needs.

One major problem which is not being addressed squarely either by the administration or Congress is the conflict between energy development and environmental goals. It is not likely that nuclear energy will expand as rapidly as contemplated in the National Energy Plan, even though it is becoming evident that nuclear energy holds less of a threat to human health than does, for example, a comparable energy development in coal. In addition, the Interior Department's decision to restrict mining, and the Environmental Protection Agency's decision to restrict the burning of coal, will make it much more costly, and therefore more difficult, for industry to switch from oil and gas to coal. The nuclear and coal projections inherent in the National Energy Plan are very optimistic, and if they are not fulfilled, will invariably mean increased reliance on oil imports.

It might be well to adjust our thinking to the fact that increased oil imports, since we will be faced with them anyway, are not all bad and certainly do not imply a national disaster. Japan has been running on 100 percent imports, and is doing well. In the long run, there are many alternatives to imported oil, all of which should be researched and developed as rapidly as possible. Among the candidates are nuclear energy; improved methods of burning of coal which are environmentally acceptable and highly efficient, such as fluidized-bed combustion; improved and cheaper methods of turning low-quality coal into gas for industrial use as well as for domestic use; innovations that would reduce the cost of already discovered natural resources which could be competitive with crude oil: oil shale, tar sands, heavy oil, and natural gas from deep geothermal zones along the Gulf coast.

For the longer pull, both nuclear fusion and solar energy hold out the realistic hope of an inexhaustible source of energy. Here is where government has an important and even unique role, to encourage a program of research, which will bring the cost of new energy sources rapidly downward so they can compete with oil and gas. They will be competitive some day, since the price of crude oil and natural gas can only go upward.

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Arts and Lives

Stanley Kauffmann on theater

Away from Broadway

In terms of sheer activity, the New York theater is tremendous. If you mean more than Broadway. At the moment (first week in February), there are only 28 shows on Broadway, with only three openings for the month. But the total of Off Broadway and Off Off Broadway productions is 118, with much more to come in the month. I don't need to say that I don't see all of them, but maybe I ought to note that I see a great many more than I report on and thus have a fair sense of the pulse and the body. Here is a sampling of recent productions in the busy world away from the not-so-Great White Way.

Fefu and Her Friends (American Place). The author of this play, Maria Irene Fornes, is one of the stalwarts of Away-from-Broadway theater. A Cuban emigré, she has been writing since 1961 and has won admirers for such plays as *Tango Palace, Dr. Kheal,* and the book of the musical *Promenade.* Almost as much as for her writing, she is admired as a moral force in the non-Broadway theater, organizing, supporting, working at every kind of job to help. (I once saw—and liked—part of a film she never finished, made with a dancer.) My admiration for her is strong in all ways except the most relevant one, her writing. To me it has the defects of self-reliant sincerity—nothing much more comes to me from the stage than that the author utterly believes what she is saying. The tone of the language tends to the flat—the purplish passages in this new play are egregious and troubling—the characterizations and the themes are all collusively tacit: that is, they ask for a coterie audience that will grant in advance the depth and humor of the work. This is not pretense by Fornes: it is just insufficiency.

Fefu was first produced in May 1977 at an OOB theater, where I saw it; has now been moved in slightly altered form to an OB theater, where I have seen it again; and has been published in the Winter 1978 issue of *Performing Arts Journal,* where I have read it. It has been highly praised by many, including Susan Sontag. After three visits, it remains for me a work of virtually no consequence.

It's a houseparty play set in New England, 1935. Fornes must know that the houseparty play is a '30s cliché (Priestley's *Dangerous Corner,* etc.): I think she thinks that she has moved *through* the cliché by using only female characters and by having no plot. The only coherent of the action is the fact that an older woman, Fefu, has invited some younger women to her home to plan an appeal for funds for some educational project. The point, really, is supposed to be the characters of these women, their relationships, and the natural community of women. All these matters are too ill-developed to be rewarding.

Two further elements hurt. First, symbolism—the first instance I can remember in Fornes's writing where she has drawn on the overtly poetic, and it's painfully bad. Early in the play Fefu fires a shotgun out of a French window at her husband, who is never seen. It's a family game; the gun is—probably—always loaded with blanks. One of the guests is a hysterical paralytic (played by Margaret Harrington, the only interesting performance) who hasn't walked since a similar incident some time ago, whom we see walk mysteriously in one scene, and who is symbolically shot at the end when Fefu kills a rabbit outside. In all this material, Fornes's reliance on her simplicity, which anyway I have thought misjudged, gives place to nervous grabs at portentous ambiguity.

The other element is a device involving the audience. The opening and closing sections of the play are watched conventionally from our seats. In the middle of the play the audience is divided into four groups, each with a shepherd, and each group is taken to four rooms in Fefu's house. Each group sees a scene in each room—it's the same scene in each room done four times for each of the four groups that visit. Then the four groups, each having witnessed each of the four scenes, go back to their seats to become again the audience *en bloc.*

I doubt very much that Fornes thought of this four-part walk-around as a gimmick. Probably it signified for her an exploration of simultaneity (since all four scenes are done simultaneously four times for the four groups), a union of play and audience through kinetics, some adoption by the theater of cinematic flexibility and montage. But since the small content in these scenes would in no way be damaged by traditional serial construction, since this insistence on reminding us that people actually have related/unrelated conversations simultaneously in different rooms of the same house is banal, we are left with the *feeling* of gimmick, intended or not—the feeling that mechanical aggrandizement has been impasted on a play with the specific gravity of a novel by Lois Gould or a film by Paul Mazursky.

Fornes directed—harmlessly, I would say, except that most of her casting is poor. She has been so anxious to have her people "unactorish" that they are figuratively invisible, except for Harrington and (differently) for Rebecca Schull, the Fefu, who confuses smugness with maturity.

Blvd de Paris (I've Got the Shakes) (Ontological-Hysteric). Close students of Richard Foreman—and there is a sizable number—have written almost as much about his work as has Foreman himself. I'm neither a close student nor an unqualified admirer and haven't written about him since Feb. 8, '75, except for his direction of *Threepenny Opera* at the Beaumont, which was not with his own company; but I've seen all of his New York productions since '75. The exegetes make much of the fact that, in a recent show, sitting at his usual desk in front of the audience, controlling sound cues and tapes, and shouting "Cue!" to conclude scenes, he had a sword suspended over his head. Imagine the flutter caused by this latest show in which someone else sits at that desk working the controls—no sword, no shouts of "Cue!" We're now told that Foreman is objectifying his work more than before.

From the name of his theater to the titles of his pieces (the title of the latest one is abbreviated above), Foreman's work is easy to ridicule. This is stupid.

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He is a highly intelligent, completely serious man of, to me, very limited gifts, and those gifts are more pictorial than theatrical. His theater on lower Broadway, where his group plays when not working in Paris, is long, and it narrows like the inside of a camera, with the (small) audience on bleachers at the wide end. The stage design, by Foreman, uses rapidly converging perspectives with curtains and screens and mobile pieces (a railway compartment in this latest work) that are ingenious. *Blvd de Paris* is done in black and white, except for one red roll of carpet, and it's visually delightful.

Foreman's pieces—he calls them plays—are meant as surprisers and rearrangers of perception. Last winter I was in a symposium about the O-H Theater, along with the amiable Foreman himself, where it developed that one of the books that have influenced him is Anton Ehrenzweig's *The Hidden Order of Art*. Ehrenzweig explicitly is "not advocating a cult of spontaneity at the expense of intellectual control," but the concept of "unconscious scanning" is central to him. To speak reductively of a complex theory, Ehrenzweig sees creation in three stages: the first stage projects fragmented parts of the self into the work; the second initiates unconscious scanning that integrates the substructure; the third takes the "hidden substructure . . . back into the artist's ego on the higher mental level." This all may sound classic rather than innovative, but Ehrenzweig puts heavy emphasis on the psychological aspects of the three stages and on the determinant power of that unconscious scanning. My own difference with Foreman is all in stage three. What I see in his finished work is almost entirely his unconscious scanning; but he insists that he has brought it all up to stage three—intellectual control and esthetic organism. He sees his works as complete; I see them as enacted notebooks.

I'm not going to detail, even if it were possible, the contents of *Blvd de Paris* except to say that this time the medium for Foreman's perception-shatterings is *fin de siècle* Paris. But I can use, as an example of our difference, the work of his leading performer, Kate Manheim, who appears again in the recurring star "role" of Rhoda. To Foreman and to his admirers, Manheim has grown increasingly expressive, has become an excellent agent for his work. To me she is only an increasingly confident amateur about whom the word "talent" is irrelevant, who is now less doggedly unashamed of being on a stage at all—let alone naked as she often has been—whose movement is now a bit less patent obedience to a director's orders, and who can now make three or four faces more than she used to be able to make. I do not mock her or Foreman: I simply cite her work as prime instance of my difference with Foreman about "stage three" of his theater pieces.

A Prayer for My Daughter (Anspacher). Joseph Papp's productions continue apace at his various auditoria in the Public Theater, and if pace were all, he would be the Reinhardt of our day. Instead, he is the R. H. Macy of the theater—lots of stuff, attractively advertised, lavishly poured forth, with something for almost everyone but not much for the most demanding.

Among the plays I've seen so far this season at Papp theaters is *The Mandrake*, an adaptation of Machiavelli's *Mandragola* by Wallace Shawn, directed by Wilford Leach and done with all the elegance and skill of a boozy bawdy faculty romp at a third-rate college. There is no intermission in this two-hour show, and after an hour I prayed for a blackout that would at least give me a chance to leave. My prayer was answered. (I waited long enough to get a glimpse of the girl who is heralded throughout the first hour as wonderfully beautiful. No comment.)

I also saw (one act of) *Landscape of the Body*, one of John Guare's Saroyanesque gushings—gushings that have been pampered so long, one can doubt that Guare now has enough discipline to organize his modest talent into a realized play. *Landscape* made some fanciful symbolic use of a beautiful young woman and a detective pursuing her.

This is the season for symbolic detectives. Only a few weeks before the opening of Thomas Babe's *A Prayer for My Daughter*, I saw another writer's play directed by Babe at the busy Playwrights Horizons on far West 42nd St.—*Two Small Bodies* by Neal Bell. It was a two-character play about a detective and a woman suspected of murder (based on Alice Crimmins), and it was supposed to float up into some Dostoevskeyan stratosphere of guilt-and-purification. All it did for me was to make me glad of the return of Catherine Burns (remember the film *Last Summer*?) whose vitality triumphed over Babe's geometric direction.

Now comes Babe's own play, *Prayer*, which too is about detectives and suspected criminals and mystic evocations therefrom. July Fourth in a

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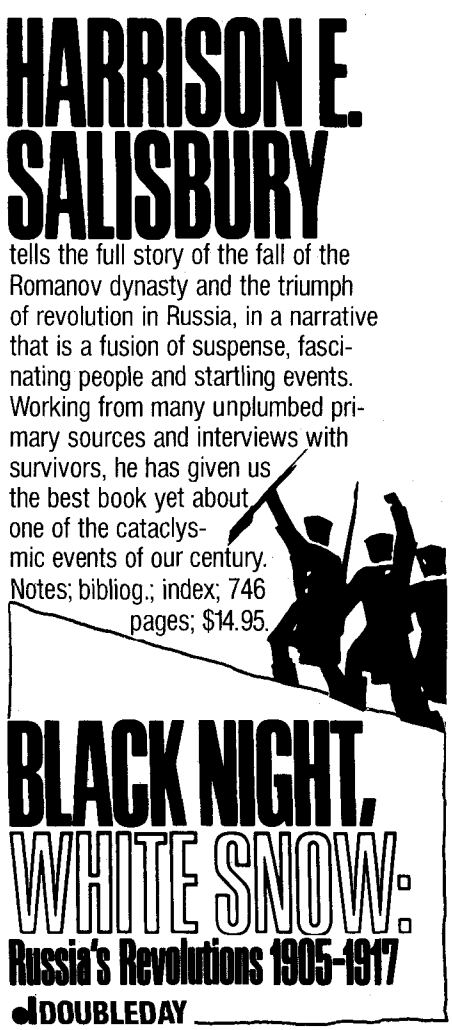
police station. (*En garde*, symbol hounds!) Two detectives, one fat and one thin. (That, see, is contrast.) They have arrested two homosexuals on suspicion of murder, one a middle-aged guru-type, the other a young, druggy, wistful gay-whore type. (Savior and Magdalene, perhaps, up to date and à la mode.)

Of the four performances, three are imitations of film and TV stock-in-trade, with Jeffrey De Munn most offensive as a fake Al Pacino detective. Only Lawrence Luckenbill as the guru acts moderately respectably, and perhaps that's because his character is so muddy that there was no stereotype for him or his director to refer to. That director was Robert Allen Ackerman, who is interested primarily in electricity but whose voltage is very low.

As for the script, aside from the labored dialogue, if a play can be considered apart from the words through which it lives, aside from the creaky construction to leave certain duos alone on stage together at various times, the play is governed by an undergraduate impulse to inflate. Instead of, for instance, writing a play about two detectives and two homosexuals that, by bearing down intensely on who they are and how they interact, *revealed* large themes, Babe, with the swagger of the writer who has big ambition but small insight, uses the four men simply as armatures on to which he plasters lashings of Meaning. Again I won't detail the plot: I'll simply record that the fat detective's daughter is threatening suicide over the phone, that the young gay strips naked in the second act and hugs the fat man who embraces him as his "daughter", that the youth seizes the fat man's pistol tucked in the back of his belt and shoots the detective in the rump, and that the fat man sits there with a bullet in his ass while the news comes in on the phone of his daughter's death and while spacious-but-terse pronouncements about good and evil are pronounced.

I've seen two previous Babe plays at one or another of Papp's theaters: *Kid Champion*, which struggled turgidly to turn a rock star into a symbol of Our Rotten Age; and *Rebel Women*, a Civil War drama in which a Southern belle matched wits (among other things) with General Sherman in order to save her husband, a drama with somewhat less credibility than *Tosca*.

The Public Theater is unquestionably a nursery for young playwrights, but many of them are so cosseted that they remain infants.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DOUBLEDAY

Wolf Von Eckardt on architecture

Arthur Cotton Moore

On M Street in Washington's Georgetown is an attractive little shopping arcade which leads to a new approach to architecture and urban design. It is an approach more likely to breathe new life into our old cities than whatever federal aid program the Carter administration will agree on.

The arcade leads across an alley to a handsome and popular shopping and office enclave, complete with underground parking, two levels of shops, and a restaurant that is better than the name, "Port o'Georgetown," would lead you to expect. The place derives its charm from a superbly well accomplished combination of dramatic new construction with an abandoned 19th century timber and masonry warehouse along the Chesapeake & Ohio Canal. The combination frames an interior court which has some of the inviting qualities of a medieval *piazza*.

This mid-block opera stage set surprises every time one visits. There would be few visitors, however, but for a particularly ingenious idea. The architect, Arthur Cotton Moore, who is also one of the developers, acquired a house on M Street, broke the arcade through its ground floor, and thus created the life line that links his project to one of the few Washington business streets always teeming with tourists.

Canal Square, as the complex is called, was fully leased to choice tenants 10 months before construction was completed in 1970. It earned Moore, who had started his own architectural office in his native Washington only five years earlier, a number of awards and an instant, national reputation as a brilliant young designer. But it is only very recently—eight years and about four times that number of esthetically and economically exceptionally successful projects later—that the trade is beginning to recognize that Arthur Cotton Moore /Associates has more than good design to offer. Its success is in large measure due to the firm's unorthodox, so as not to say revolutionary, *modus operandi*.

Moore, to begin with, is at his best when he recycles old buildings—any old buildings. They inspire him to fiendish ingenuity. He furthermore does not often, like most other architects, wait for commissions to come his way or court potential clients in the country clubs and political banquets. He courts opportunities like that old warehouse along the C&O Canal, and draws up and figures out their potential. (Moore makes the most charming drawings of any architect I know, but his figures of what pays and what doesn't pay about an architectural idea are just as impor-

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tant to him.) Then, when he has an interesting scheme worked out, he finds the people to back and develop it or offers the idea in newspaper and magazine articles *pro bono publico*. Most importantly, he works with owners and builders on their financing and zoning problems, and also in church basement meetings, with the people in the communities where he builds.

"We welcome citizen participation, marketing and finance problems, even zoning and building cost restrictions, and all the other so-called constraints architects always complain about," Moore told me recently. "They help shape and discipline our building design as much as the properties and limitations of the site or of brick or concrete. To us they are also elements of architecture."

Most architects today neglect and ignore these mundane elements. They focus mainly on their vision of form—the dream of the great building, architecture for architecture's sake. When the cost estimates come in and other "constraints" of reality are brought to bear, the vision is grudgingly compromised. Greatness is lost between the dollar and the dream.

"Recycling" old buildings and adapting them to new uses was, of course, not Moore's idea. It became the vogue in the early '60s after urban designer Lawrence Halprin suggested that the doomed but glorious Victorian-style Ghirardelli chocolate factory at the foot of Russian Hill in San Francisco should be converted into "a beehive of excitement." With the help of a daring entrepreneur, William M. Roth, it became just that—a four star tourist attraction with smart shops, a children's art center, several restaurants and a great view. What helped the march of lesser Ghirardellis across the land was that the cost of new construction bec. ne so high that for the first time it was cheaper to remodel.

Halprin never repeated the feat. There was no occasion for him. Moore made the creative adaptation of old buildings and their integration into new structures his specialty. The use of old buildings or building fragments in a new context are as much part of his art as the rigidity of glass and steel are part of the art of Mies van der Rohe or the plasticity of reinforced concrete is part of the art of Le Corbusier. A perhaps better analogy: Moore uses old buildings as an element of his new architectural creations much as a painter might use *objets trouvés* in a collage.

Moore has built several such architectural collages along the Georgetown waterfront. Like most city waterfronts in America, the 18th century Georgetown tobacco harbor was recklessly overwhelmed by 19th century industrialization with a jumble of factories and railyards. When the area became "delinquent," as the British put it, it was covered by an elevated freeway. The Inland Steel Company recently acquired a sizable piece of land there, and, under a plan drawn up by Moore, will eventually give us access to the river with waterfront plazas and a small boat marina backed by a cosmopolitan amalgamation of shops, restaurants, offices, apartments, and amusements—an extension, as it were, of Moore's Canal Square. If the Department of Transportation ever sees fit to tunnel the elevated Whitehurst Freeway—a particularly ugly, dangerous, and obsolete specimen—the Georgetown waterfront will go far to make our capital a real city, like London or Paris.

Moore has given us a foretaste of what we could have with the recently completed first phase of the proposed Inland Steel development. It integrates the old Duvall foundry into an elegant, yet unobtrusive office structure and gives emphasis, breathing space, and landscaping to the neglected C&O Canal. Along the old foundry converted into a restaurant, Moore created a small, brick paved plaza which is used for public concerts and other celebrations and serves as home port for the National Park Service's mule-drawn canal barges. Nearby, Moore used a 1927 warehouse to generate an office and apartment house complex for the National Rural Utilities Cooperative Finance Corporation. Started from scratch, and given the usual financial and zoning restraints, this complex would inevitably result in humdrum architecture. The almost magic power of the old building—of something that was there before—gives it character, interest, and even whimsey.

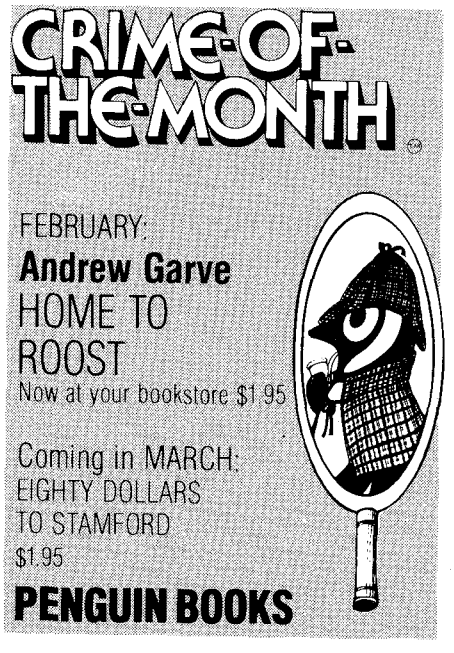
The whimsey becomes high drama in Bedford-Stuyvesant, the run-down neighborhood in Brooklyn, New York, where Senator Robert F. Kennedy launched an intensive, innovative, but only slowly progressing rehabilitation program. Bed-Stuy, as it is locally known, desperately needed a shopping center that would also serve as a neighborhood focus and symbol. But the neighborhood people did not want anything new, slick, and alien looking—anything that might recall the trauma of federal "urban renewal."

Moore's solution was a collage of old and new buildings with a skating rink and a fountain for kids to climb and splash in in summer. The stunning whimsical symbol of the place is the free-standing facade of a burned-out old tenement building. It is propped up like a billboard, its former shops opened to make it a triumphal arch. The resurrected ruin proudly faces Fulton Street, decked out with large banners.

In Baltimore, Moore proposes to turn the threatened Fish Market Building into a similar bit of architectural stagecraft. An interstate highway will slice off the rear end of the 90-year-old building. Moore would turn the cut off facade around, place it next to the remaining market hall, and hide the freeway with it.

Some years ago the urban renewers of downtown Washington insisted on tearing down a Victorian row of interesting specialty shops to make room for a not very special office building. Moore proposed in the pages of the *Washington Post* that the new offices be built above and behind the old landmarks.

It was also on the pages of the *Post* that he supported citizen efforts to save Washington's Old Post Office on Pennsylvania Avenue—a granite pile in H. H. Richardson Romanesque-style for a more Beaux Arts kind of glory. In exciting sketches he explained how the great court of the old building could be turned into a Ghirardelli-like tourist attraction with exhibits, boutiques, restaurants, art movies and other relief from trotting about the museums on the Mall. He proposed that the rest of the buildings be converted into an inexpen-



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sive family hotel to assure that the Mall trotters stay downtown for a while.

Mirabili dictu, the Romanesque granite pile is now being saved and Arthur Moore was chosen to remodel it. In addition to shops and restaurants, it is to serve not as a hotel, but an office building for the National Endowment for the Arts and similar agencies. Office workers, however, go home after hours.

But Moore has around-the-clock life-giving schemes on the boards or under way in Petersburg, Virginia; Fort Wayne, Indiana; York, Pennsylvania; Nashville, Tennessee; Nassau, Bahamas; Schenectady, New York; and other places—adding a little lake here, extending a canal there, turning warehouses into apartments and old apartments into triumphal arches or God knows what, and always providing for cafés and fun. Nor would he mind providing for a little sin in the city, he told me.

His collage work is not, strictly speaking, historic preservation and the energy-saving, idealistic "recycling" aspect is only a part of it. Old buildings can inspire new ideas for cities that could not possibly occur to any architects staring at a blank sheet of paper, a bulldozed desert, a tabula rasa. Moore makes the new grow out of the old.

Local citizens, who usually resist the conventional, cataclysmic approach to urban revitalization, welcome Moore's ability to make new projects look familiar and to squeeze some public advantage—a little plaza, a café, a body of water, an arcade or pleasant sitting area—out of even the most commercial scheme. He can do it, and persuade the developers and mortgage bankers to share his enthusiasm for urban amenity, excitement and flair, because he is able to use these things to play and win *their* games.

The question is whether Moore's methods are teachable, whether his approach to urban design will spread, the way faddish architectural cosmetics always spread. One Arthur Cotton Moore is not enough.

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Books Considered

The Protestant Temperament: Patterns of Child-Rearing, Religious Experience and the Self in Early America by Philip Greven

(Knopf; $15)

During the summer of 1976 when it was becoming clear that a "born again" Southern Baptist had almost clinched the Democratic nomination, news reporters in all of the media became students of American Protestantism at a new level of seriousness. Not since the famous Monkey Trial of 1925, in fact, had so much news coverage been devoted to the Protestant outlook. The general public, one should add, soon showed a similar interest in the varieties of Protestant piety. In due course 1977 was declared to be "The Year of the Evangelical."

The times, it would seem, are propitious for a large and handsomely printed book on *The Protestant Temperament;* and the long subtitle should add even more to its contemporary attractiveness. It is fortunate, therefore, that substance follows external form. This book sheds much-needed light not only on the early history of Protestantism's long hegemony over American morals and social attitudes, but also on diverse modalities of its faith and practice.

The author of this important work is a professor of history at Rutgers University whose previous work was an impressive community study: *Four Generations: Population, Land and Family in Colonial Andover* (1970). The work now before us, however, is vastly more ambitious. Indeed, if scholarly consensus were the criterion of success, the intention behind this large work would seem impossibly grand, for its approach will no doubt excite considerable controversy.

"The central goal of my book," says Mr. Greven, "is to suggest a set of patterns or configurations that will clarify and enrich our analysis of the American past . . . [but] chronology is always subordinated to the quest for patterns. My concern is with enduring themes that transcend time and space and denominations and bind people together into meaningful associations through personal experiences which can be discerned and illuminated by the juxtaposition of people from different periods, places and religious groups . . . . My ambition is to contribute some insight into the way in which temperaments of individuals mediated between thought and behavior." To accomplish these rather vague objectives the author has devoted years of prodigious research in hundreds of diverse contexts that have yielded great quantities of pertinent information on each major region of colonial settlement and over a temporal span that extends from Thomas Shepard and John Winthrop in the first generation of the Bay Colony to Horace Bushnell, a romantic liberal theologian of the mid-19th century. (Seventy pages

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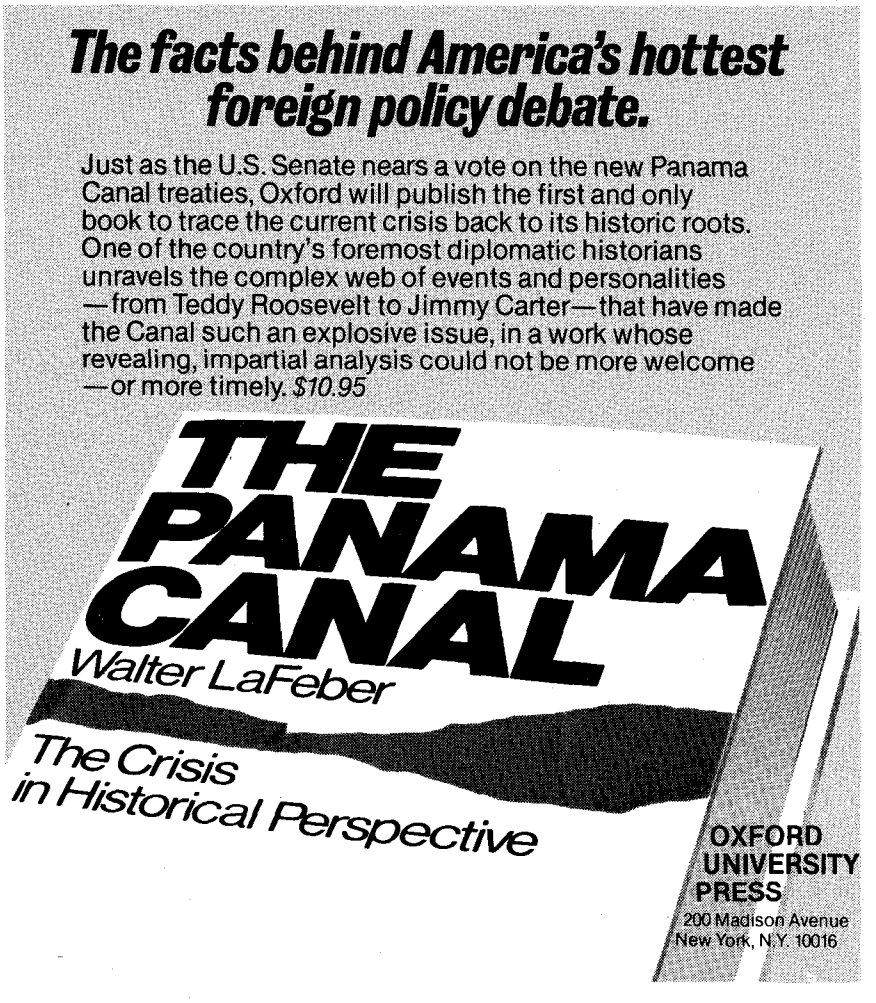
of the book are devoted to notes, sources and a detailed index.) It will soon become obvious to any reader, moreover, that Greven ranges far beyond his primary interest in child-care and the family to discuss social, sexual and political attitudes. Despite his somewhat wayward criticism of Perry Miller, he also gathers in a considerable harvest of theology and doctrinal history. Nowhere, however, has he found an historical datum which "transcends time and space," and for a great many of his examples denominational affiliations can be easily identified.

Given his well-stocked data-bank he could have adopted a pseudonym and expounded his knowledge in the form of a travel account and perhaps gained remembrance as an heretofore unknown predecessor of Alexis deTocqueville. Even his edited research notes would be of great value. Furthermore, his diagnosis of an urgent historical need is both acute and salutary.

The strategy he adopted is essentially taxonomic. He has organized his material and based his argument on a trinary principle. Described first and at one extreme are the *Evangelicals*, an "authoritarian" syndrome of the "Self-Suppressed," which includes those families that held fast to the old Reformed and Puritan tradition, especially the doctrines of original sin and human depravity. At the other extreme are the *Genteel*, or the "Self-Asserted," a group that includes both northern merchants and southern planters. They have gained considerable affluence and social prestige and have developed modes of living and moral attitudes that reflect the Enlightenment. Status concerns and optimism about human nature are among their other distinguishing characteristics. Finally and in between are the inevitable *Moderates*, the "Self-Controlled," whose family life is less austere than that of the Evangelicals, though marked, nevertheless, by the sobriety of the Puritan ethic and far less inclined to vain display than the Genteel.

Despite its undoubted heuristic value under certain circumstances, one of the great hazards of a taxonomic division of this sort—and especially a trinary one—is that it very easily conduces to a distortion of historical reality. This danger is increased when one is dealing with a free, non-hierarchical, and highly mobile society such as America was rapidly becoming in this period. In such a fluid context nearly every human characteristic, whether of mind or practice, is distributed in the population along an almost unbroken continuum. It is very likely, therefore, that Greven's artificial categories will tend to exaggerate the extremes, and this is notably the case when, as in this instance, quantitative controls are unsought or unavailable. (In describing members of sects or denominations, by contrast, one has not only doctrinal guidelines but more or less detailed records which allow a degree of quantification.) A second danger is that because little or no attention is paid to social and intellectual change, the collective entity being described has the nature of an unanchored ideal type such as one could imagine without any reference to historical facts. The saving feature in the present instance is Mr. Greven's rich documentation in the three sections that constitute the substance of his work. In each of these essays he brings together a wide range of data and weaves an imaginative account that illuminates and brings to life a major facet of the Protestant temperament. My inevitable reservations, therefore, are few in number—and relatively minor. The first pertains to the Evangelical category. Unless the author is delineating only a small, ultra-orthodox remnant of strict Puritanism and intentionally excluding the kinds of adjustment that social change required during the long period under consideration, this section is unduly severe. Furthermore, it lacks the subtle attention to nuance and the interplay of various factors that Max Weber and his major followers have introduced into their discussions of the practical corollaries of Puritan and Calvinistic faith. With regard to the Genteel my reservations are of the opposite sort. In this account the picture is made unrealistically "favorable" for children because the author slights the often documented forms of parental severity that existed behind the facade of affluence and propriety.

My final reservations require a preliminary reference to a very unusual feature of this book, namely its final section. Far from being the anti-climactic summary that so often appears, this conclusion adds a whole new dimension to the book. Were this a murder mystery I would have been almost obliged to leave these pages partially veiled, since the requisite number of clues has in fact been planted. The Epilogue begins 26 pages from the end of the text proper with a dramatic title: "The Clash of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Temperaments: Some Reflections on the First American Civil War." The key sentence is a vernacular invocation of the trinary theme by John Adams's barber, who is describing the political situation in 1776: "One sett are staunch Americans, another staunch Britons, I suppose, and a Third half Way Men, Neutral Beings, moderate Men, prudent Folks." Greven refines this formula by pointing out that "the political debates that shaped the consciousness of many Americans during the 1760s and 1770s reflected at least three distinctive conceptions of the meaning of liberty." As one could not but expect, they correlate very closely with his own trifold schema, the sin-conscious Evangelicals leading the cause of liberty, the Genteel passively or actively resisting it, and the Moderates playing their immemorial, or predestined, role as prudent libertarians.

Drawing on his own large body of information, Greven then relates his views to the exciting historical literature that during the last decade has made the problem of religion and the American Revolution a dominant concern. In a general way one may say that his work tends to support the contentions of Bernard Bailyn, Edmund Morgan, Gordon Wood, Alan Heimert and many others by stressing the revolutionary significance of the Puritan impulse. More particularly he brings important support to Heimert's controversial emphasis on the continuing significance of the Great Awakening and the evangelical revival tradition. Though an admirer of Bailyn's work Greven would see his own distinction between Evangelicals and Moderates as modifying Bailyn's monolithic emphasis on the influence of the English Radical Whig tradition. The potency of these various observations, however, is considerably vitiated by the abstract and unquantified character of the evidence.

The other major theme of the epilogue has to do with the ways in which a half-dozen behavioral tendencies described in the main sections of the book are made the grounds for suggesting that the non-rational element of human action has been unduly ignored by other historians. And it is this point that I make my final demurrer; but not because I doubt that parents affect the behavior of children in unintended and unknown ways, or that non-rational behavior was present amid the tumults of the Revolution. Irrationality is an endemic aspect of being human. Most assuredly historians who write books and book reviews are no exception.

The problem is one of deficient knowledge, indistinct boundaries, and the lack of diagnostic specificity. A convincing psycho-historical account of any participant in the Revolution would require the kind of insight, effort, and data that Erik Erikson brought to bear on Martin Luther—and even then only to reap the whirlwind of controversy. In our present state of unknowing we simply have no reliable way of explaining the behavior of bygone persons and groups; at least none that clearly improves on the interpretations of sensitive traditional historians or thoughtful sociological observers. Greven's various suggestions, therefore, provide at best a plausible agenda for controlled studies. None of these reservations, however, alters the basic judgment already expressed, that he has placed an important book before his professional colleagues as well as the reading public.

By way of conclusion as well as to return to my point of departure it may be worth reminding ourselves that Professor Greven's book, just as the recent scholarship on religion and the Revolution which has been alluded to, tends in a general way to confirm the old view, dear to 19th century Evangelicals such as Lyman Beecher and the author of "America," that this "land of the pilgrim's pride" does indeed owe a great deal to the 17th century "revolution of the saints" which arose first in England but which revealed its full implications only in America.

Sydney E. Ahlstrom

Sydney E. Ahlstrom is Professor of American History and Modern Religious History at Yale University, and author of *A Religious History of the American People* (Yale).

Coming:

John Kenneth Galbraith
on Dulles
Howard Mumford Jones
on Mencken

Israel: The Embattled Ally
by Nadav Safran

(Harvard University Press; $18.50)

A friend of mine, an eminent professor, tells the story of how he once had breakfast with Ben-Gurion. There was no specific crisis at the time but Ben-Gurion had plunged into one of his somber prophetic moods. He himself, he had said, would live out the rest of his life in a Jewish state, but his grandchildren would not. The circumstances in which the Jews had created a nation-state of their own were such that the Arabs could never accept them. Though the Arabs might be defeated a few more times, there was no means of persuading or compelling them to a political compromise. One or two generations of unrelenting Arab hostility would be enough to crack the world's nerve, and then Israel, alone and unsung, would disintegrate and be expunged from the map.

Zionism's purpose had been to eliminate forever such a ghetto nightmare as this projection of Ben-Gurion's, not to transplant and vivify it in a Middle East context. But what the early pioneers conceived to be a valuable contribution to the brotherhood of man has produced for their descendants the imperative to be the best possible soldiers. Without military success the Israelis would long since have perished, but this obligatory success serves to enlarge their peril.

The trap is cruel. For each time the Israelis have defeated one segment of the reservoir of Arab force, as Nadav Safran so well puts it, "the very power they mustered to do so activated previously quiescent Arab forces and impelled them to join the defeated forces in a new attempt, and so on. Thus the overcoming of the sporadic Palestinian Arab outbursts of the 1920s by the

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Jewish settlers helped bring about the general revolt of 1936-1939. The insufficiency of that revolt brought the general Arab resistance supported by Arab League volunteers and funds in 1947-1948. The collapse of that brought the intervention of the surrounding Arab states in 1948. The decisive defeat of that combination in 1967 brought, in 1973, the coalition of the first circle countries backed by countries of the second circle." And beyond Arab countries of the first and second circles waits the Soviet Union, which over the last 30 years has managed with tactical precision to turn the whole issue into an extension of her expansionist foreign policy. Where some see causes, she sees clients and leverage. In response, governments of far-off countries, in China, say, or Mali and the Cameroons, without knowledge or experience of Jews, have regularly put out the sort of statements once the specialty of Russian or Polish pogromists. The tragic isolation and rejection of the Jew is thereby enacted on a world scale.

The thing cuts both ways, in that this ever-enlarging Arab, and now Soviet, opposition, has forged and perpetuated the Israeli identity, thus bringing about what it so hates. But that is not the path to acceptance, and also prevents the moral issues being seen for what they are. A mammoth survey, like Safran's, makes the might-have-beens of history seem so poignant. Jewish immigration to Palestine between 1880 and 1933 consisted of some tens of thousands of idealists, and in conditions of peace, Zionism would almost certainly have concluded as one more among the messianic or utopian prospects which from time to time sweep the human heart. As from 1933, arrival in Palestine for Jewish refugees from Europe was a matter of life and death, and so the Arabs were sealed into the destiny of the 20th century as surely as were the Sudeten-Deutsch, the Poles, the Balts and many others, including the Jews themselves. The Arab-Jewish conflict, like the division of Germany, is an abiding consequence of the rise and defeat of Hitler.

It was only natural and human that the Arabs should have set their face against Jewish settlement from the start. But a more long-sighted response on their part would have been to absorb each and every settler and refugee, and then allow the forces of politics, opportunity and demography to dilute them. That way, the Sephardi communities in the rest of the Middle East would have remained undisturbed, and the Palestinians would never have fled. In 1948, the Jewish community was only 600,000 strong, though that figure was to be greatly increased by the concentration camp survivors arriving as soon as the state was independent. Still, Jews and Palestinians could have remained in numerical balance within the borders of the Mandate. Parts of Palestine would have taken on a European character, no doubt, but there was room for that. Later, once the exodus had settled, and the experience of the Holocaust receded, these people would have drifted out elsewhere, as indeed they still may. 300,000 Israelis, or 10 percent of the country's present Jewish population, are said to be living already in the United States, and that, as much as anything, reinforces the long-term pessimism which Ben-Gurion had expressed that morning to the professor visiting him. When Begin continues to assure Sadat of the Jewish state lasting "forever," he seems primarily to be needing such language to cover a residual doubt.

Granted that the Zionist endeavor was so consistently opposed, its fulfillment is testimony to the despairs and hopes of a persecuted people. That such a puny number achieved so much is not the least of the resentments felt by the Arabs. The first half of Safran's book is a conventional enough account of the whys and wherefores of these events, bringing in whatever might have bearing, text-book style, from the constitution to the climate, with concise disquisitions on religion, the party system in Israel, and ideology. Only in the second half does he get down to close analysis of the power politics which have contributed to the present mess.

Initially the Soviet Union had welcomed the creation of Israel as a move all of a piece with Stalin's aims against British imperialism. In contrast, American business interests in the Middle East, as well as military and strategic considerations, aroused hesitation and uncertainties in Washington, which were overcome finally on moral grounds. Safran makes the solid point that American support of Israel has rested on a moral foundation issuing directly from the World War and the Holocaust. The obligation which goes with being a free people is to extend that freedom to others. So long as Israel is a free democracy the Jewish lobby in America has its work largely done for it. If Israel were not a free democracy, the Jewish lobby could redouble its efforts but achieve nothing.

The Panama Canal Treaties

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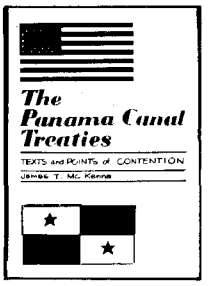

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The Soviet Union broke actively into the Middle East with its 1955 arms delivery to Egypt, and since then the supply of weaponry has been the principal currency for political dealing in the area. The immediate outcome of that first Soviet initiative was the 1956 Suez campaign, in which Israel sought to escape, before it was too late, from the ring closing round her. Misappreciating the situation, American policy then enforced an Israeli retreat, thereby allowing Nasser a fictitious victory, as well as undermining once and for all French and British influences in the region. The lesson began to be apparent that a weak Israel was an encouragement to the Arabs to attack it. If the Soviet Union provided them with the means of doing so successfully, it could hope to outbid America for the whole Middle East. American reluctance to take the other corner, so to speak, and have Israel sheltering under her skirts, stemmed from a reasonable fear that this would alienate the Arabs altogether. Time has shown that this is not so, and indeed the opposite has more often than not been the case in this matter.

Between 1956 and 1967, which Safran calls "A Decade of Consolidation and Hope," a kind of useful stalemate was maintained. While conceding nothing to Israel, the Arabs were made aware that attacks on her were not in their interest. Safran follows the well-established view that the Six Day War was instigated by Russia, which alone stood to gain from it. Everybody else, the United States included, was taken by surprise, but the perception painfully arose of what would happen in the event of Nasser's victory. America might then really be thrown out of the Middle East, lock, stock and oil barrel, and the future would be dangerous indeed.

The Israeli victory, as it turned out, obliged the Arabs to patch up their quarrel with Washington, either for the sake of powerful friendship and patronage, or to drive a wedge between America and Israel. Without America, in other words, the Arabs were in no position to proceed further against Israel. President Johnson at once saw that strengthening of Israel by America inexorably gave him a bargaining hold over the Arabs. President Nixon, prompted and abetted by Kissinger, came to the same view, though not so forthrightly and not until the counter-opinion of his Secretary of State, William Rogers, had opened an Israeli-American rift which had goaded the Arabs into the so-called "war of attrition."

The Six Day War had also given the Israelis assets with which to trade, namely the West Bank, the Gaza Strip, Sinai and the Golan Heights. The Israelis were no longer in the position of pleading for entry to a club composed entirely of blackballers. At last they could offer to return territory if they were allowed to live in peace—these delineaments of a genuine treaty have tantalized one and all these last 10 years. The Yom Kippur War was a reminder that the Arabs are not prepared to wait until kingdom come for this treaty which will restore to them what they have so recklessly lost. Though the Arabs made several wrong assumptions about that war and its outcome, they nearly had a triumph handed to them by another American miscalculation. So confident was Kissinger that the Israelis would trounce the Arabs that he wished to restrain them long before they had pulled themselves together sufficiently to win through to safety. The American air-lift in the midst of the October fighting was just in time. In the event, neither Arabs nor Israelis have since lost sight of who calls the tune.

Following the Yom Kippur War there have been notable successes of agreement and disengagement, each one resulting in a reduction of Soviet influence. Unmistakable American commitment to Israel is also an unmistakable commitment to peace, and the hope for the future lies in never for a moment giving the Arabs of the first and the second circles around Israel cause to forget that fact. Moreover the Soviet Union is trying to recover its position by all available means, and many Arabs, the Egyptians in particular, have rightly come to see the Soviet Union as a greater threat to them than Israel ever was. However much Israel may have resented the restraint imposed from Washington in the aftermath of the 1973 war, American policy has been vindicated since by the whole series of Arab responses. President Sadat's recent dramatic gestures, for instance, amount to a vote of confidence in American policy.

Safran's book, then, is the most authoritative statement so far of the thesis that the American protection of Israel and simultaneous friendly relations with the Arabs are compatible, indeed part and parcel of the same complex set of factors. Had such a proposition been put in the Ben-Gurion era, before the Cold War had properly wound through its strange logic, it would have sounded inconceivable, but it is perhaps the answer now to those suggesting that Israel's predicament is insoluble. Left-wing critics, whether Arab or not, have often accused America of using Israel as an instrument for control in the Middle East. There has been no deliberate calculation to this effect, but Safran, whittling down the elements of successive crises with great mastery of the diplomatic maneuvers, does depict how something of the kind has evolved. If this is true, then it will have fallen to America to have used its power to squeeze together the two leading adversaries, Israel and Egypt, after which the issue as a whole will fall into place. To left-wing critics, what is more, Safran will probably appear a wonderfully quotable authority on imperialist demonology. That the Arabs have been brought to a sense of present reality by means of Israel may not be very nice, especially for Israel, but still, it is better than the alternative, which is the genocide of the Israelis and the degradation of the Arabs under Soviet totalitarian control.

The danger, according to Safran, is that the moral basis of American policy

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may be converted to expediency. Safran argues that a tacit alliance has already developed, one which places Israel at the mercy of America and also invites America to run Israeli risks, altogether "most unusual in the annals of international relationships." Ultimately a mutual security pact may emerge. If he seems to be exaggerating in this respect, he is also exposing the political fundamentals which may lead to a *pax americana* in the Middle East and the eclipse of Soviet ambitions there. To those expectantly watching Sadat and Begin, both being brought against the grain of encrusted national attitudes to recognize a real community of interest, this book is a most constructive guide.

David Pryce-Jones

David Pryce-Jones is the author of *The Faces of Defeat: Palestinian Refugees and Guerrillas* (Holt, Rinehart & Winston).

The Life of the Mind Vol. I: Thinking Vol. II: Willing by Hannah Arendt

(Harcourt Brace Jovanovich; $25)

Hannah Arendt's cogent interpretations of our political realities challenged our accepted views. The publication of *Eichmann in Jerusalem* in 1963 generated heated controversy, because of her shocking observation that Eichmann was neither monstrously evil, nor insane, but an ordinary human being who just did not think about what he was doing: "It was sheer thoughtlessness—something by no means identical to stupidity—that predisposed him to become one of the greatest criminals of that period." When blacks were rioting in urban ghettos and students were demonstrating on campuses around the world, Arendt showed in *On Violence* that violence not only differs from, but also destroys, genuine political power.

Toward the end of her life, Hannah Arendt redirected her thought inward, upon the mental activities of thinking, willing and judging. The result of that changed focus, *The Life of the Mind,* is her culminating achievement. She died while writing it in 1975 at the age of 69. Its subject matter returns her from politics to the enduring metaphysical themes she studied as a philosophy doctoral candidate under Karl Jaspers at the University of Heidelberg. Most important, it is a work she felt "called" to write. She dedicated herself to it in her waning years because of a self-imposed obligation to explore and then to show others what we are doing when we think, will and judge. (Judging is described only peripherally, since Arendt did not complete that section.) To accomplish this, Arendt explicates

Hannah Arendt by Alfred Bernheim

philosophers' statements, sometimes made in less well-known works or in journals, which reveal what they experienced when they thought and willed. She focuses upon previous philosophical views about these mental experiences primarily to examine the actual experiences themselves rather than the truth or falsity of these interpretations.

Arendt's descriptions of thinking and willing are premised upon the Platonic view that all mental activity depends upon the duality in consciousness, the inner split between me and myself, which is experienced thematically only during withdrawal from the world's activity. Using Plato's interpretation of Socrates's experiences, Arendt describes thinking as a conversation between the two poles of consciousness, an internal dialogue "in which I am both the one who asks and the one who answers." This "saying is soundless and therefore so swift that it is difficult to detect its dialogical structure." By contrast, Arendt's account of willing follows closely the views of Christian theologians, such as Augustine and Thomas Aquinas. Willing is experienced as a struggle between the two poles of consiousness: one pole commands the initiation of a future act, while the other pole actively resists. This struggle ends only when we commit ourselves to act upon the dictates of one of those poles.

Mental life consists of the inevitable conflicts between mental activities. For example, Arendt elucidates the antagonism between thinking and willing over the value of future action. When thinking, we reflect upon the past or concepts derived from it. Thinking therefore, can never tell us how to act or what to do in the future. Moreover, as thinkers, we are hostile toward action, which would remove a precondition of our thinking by reinserting us in the world's activity. When willing, however, we regard action as our redemption, since it ends the inner struggle, actualizes the will's command, and resolves any apprehension that the will's command cannot be done. Thus, thinking is always oriented away from future action, but willing "always wills to *do* something."

The most provocative parts of Arendt's account result from her vision of the significance of our mental activities. Expanding upon Kant's distinction between reason (our faculty for thought) and intellect (our faculty for cognition), Arendt introduces the view that the goal of thinking is meaning, not truth. This view contradicts the assumption of modern science, derived from Descartes, that the goal of thinking is clear and certain knowledge about the world. For example, according to Arendt, thinking does not decide whether or why an act is just, but rather tries to comprehend why we care about a just act, what makes a just act important. This view implies that, when we think, we humanize our worldly and mental experiences, creatively bestow-

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ing purpose upon the succession of events in our lives. It also indicates that thinking arises out of a human need to make sense of our existence. This need remains unsatisfied by merely knowing what *is*, and therefore touches deeper chords in us than the need for truth.

Arendt suggests that willing accords human beings a measure of divinity. This high estimate of the value of willing is a consequence of her conception of willing as much more than Aristotle's notion of *proiaresis*, the free choice between two or more possible, but already given, actions. In Arendt's view, free human action is not dictated directly by our ideals or our desires, but originates in the inner struggle which characterizes willing. When we act, we choose to do what one pole of consciousness commands. But alternatively, we might have chosen not to do the act, as the other pole of consciousness counsels. The human capacity to interrupt the ordinary course of our individual or collective history with an utterly new sequence of actions stems from the possibility of resisting what is commanded internally by one pole of consciousness. Willing, therefore, is what enables us to start spontaneously something new and unexpected, the paradigm of which is the Christian view of the world's beginning, a creation *ex nihilo* by a totally free God.

Arendt's account of our mental activities is most compelling where her unorthodox use of previous philosophical views is appropriate. Her approach works well in Volume One's account of thinking, since philosophers do have a privileged perspective on the thinking activity. It is less justified in Volume Two, however, since statements by professional thinkers cannot provide data for an unbiased account of willing. Arendt should have drawn her evidence from people who act in the world. This methodological error is compounded by her reliance upon the reflections of Christian philosphers concerning God's "Thou Shalt" and the "will to sin," which lack full resonance with secular readers.

Few works of philosophy published today seriously confront the Western philosophical tradition as a whole. *The Life of the Mind* has that bold ambition. At a minimum, it resembles a deep mining operation, which brings to the surface the authentic insights of a tradition which has fragmented and lost its power to guide us. Arendt intentionally preserves those treasures by reflecting upon them anew. At its best, mostly in Thinking, *The Life of the Mind* succeeds in offering us new insights to illuminate our own mental experiences and an integrative vision of their profound meanings.

James M. Altman

James M. Altman, staff counsel for the National Education Association, taught philosophy at Yale.

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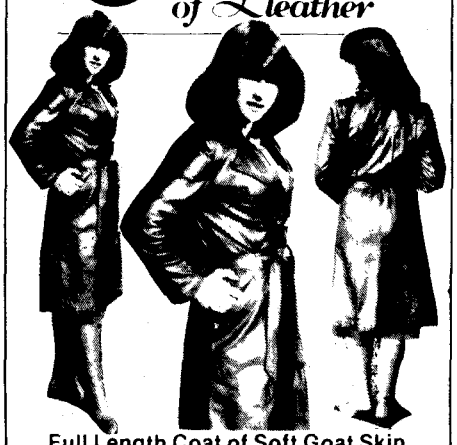

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taxes and wage rates" has risen from 180 to 202. No wonder they're sore.

It's not merely farmers who have seen living costs kick over the traces. Medical costs have doubled in the past 10 years. That's why there's all this talk of federal health insurance. There are vital odds and ends of information in many tables. You can trace the growth of the welfare state for example. Down to 1940 the government paid nothing for old age, survivors, disability and health benefits; now it's a cool $105 billions. That's a revolution, too, statistically expressed. The revolution has come partly because the American population is getting older: people over 65 made five per cent of the population in 1929, Table B-26 says; today it's around 11 percent.

Random items: the last time the federal budget was in the black was way back in 1969, and the time before that, 1960—both times for small amounts. A thing that surprised me is that federal workers (those miserable bureaucrats) have diminished since 1968; yes, there are fewer of them today, whereas state and local office holders have jumped by three and a third millions in the same time.

You can play the game yourself. There's something for practically everybody in here. One thing puzzles me in the section on "Corporate Profits and Finance" (profits by industries, business failures, bond yields and the like for 30 years). How does the yield of stocks compare with times past? I found that the ratio of yield to price (currently 8.90) has been higher in the past three years than at any time since 1953. You would think that yield would make stocks a bargain, wouldn't you? Maybe Wall Street knows something we don't know. Stock prices have tumbled about one-fifth in value since President Carter took office.

Some of us will always brood over statistics. Here's a table from the World Bank, for instance, giving "Indicators of Comparative Standards of Living" for 30 nations. I always wondered about telephones in Iceland; seems they have 417 per 1000. (We have 695, and the Russians only 66.) Our per capita output is two and a half times Russia's. And we have 571 TV receivers per 1000, to Russia's 208. How can they get through those long winter nights?

Note: The AFL-CIO informs me that, contrary to what I've read and written, it has taken no position on the Bakke brief.

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Literature

AFTER THE REVOLUTION: WHO RULES? — a critique of the Marxist-Leninist left published by the Socialist Labor Party. 75¢. New York Labor News, 914 Industrial Avenue, Palo Alto, California 94303.

AMATEUR PHILOSOPHERS ZINE. Sample 50¢. Hereford, 1921 Kalorama Road, N.W., Washington, D.C. 20009

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Hollywood, wrote Hortense Powdermaker, is the "dream machine." On celluloid, the dreams may be about sex, romance, action, money. In the executive suites, however, they dream only of money—in colossal dimensions. Dreams, of course, do shatter, and that's exactly what's happening in Beverly Hills and Malibu where movie mogul-dom eats and sleeps. It's not that David Begelman didn't come up with the "terrific ideas" at Columbia Pictures. He did; they credit him, and rightly, with *Close Encounters*, terrific enough. The trouble was that he stole from his company and *The Washington Post* found out about it. Even the awful publicity didn't seem to vex his Wall Street patrons and the firm's bankers, Allen & Co., a name, by the way, which the *New York Times* for days failed to mention in its coverage of the unfolding story. For a while it looked as if Begelman would survive at the pinnacle. But the story has grown too big. Begelman has quit, and others are quaking, not simply at Columbia, but all across this always insecure industry. The two *Post* reporters, John Berry and Jack Egan, did their work extremely well, and soon found that they were onto much more than a simple tale of nickel-dime pilferage. There appear also to be routine accounting methods that cheat on writers, independent producers, directors and stars, whose often astronomic fees are no mean part of Hollywood's corrupted inflation. The IRS, the SEC, the Justice Department are suddenly intrigued by specific details and general practices. One of the great financial scandals in Hollywood especially, but elsewhere in the corporate world as well, is less the three-martini lunch than the other perks of high position—private jets, foreign playgrounds, large amounts of petty cash, corporate homes, expense account entertainment. All of this constitutes untaxed real income to those at the top, perhaps as large or larger than their salaries. Which means that the rest of the people pay for the realized dreams of the successful. We pay for these in taxes and in tickets. What's more, the stockholders all now know that they're being cheated too, which is why the battle may finally be joined. The dream machine is for the moment grinding out nightmares.

People still dream of Camelot. Ever since Ted Kennedy announced that he was supporting Jimmy Carter in 1980, folk have been speculating on a Kennedy challenge. Some are even planning on it. David Broder wrote that a tooth lost by one of the Kennedy children during the family's China travels is some kind of omen. When the Senator got himself onto *Face the Nation* (he asked to be invited and asked to be questioned, mostly about China), he seemed resentful that Chappaquiddick still cropped up during the interview. He's made a record of late that is arguably the most litmus-liberal in the Senate (save, that is, for his sore thumb co-sponsorship with John McClellan of the omnibus crime bill). That record must serve him as a buffer between the voters and the question of character. It may also be the best way to run against an incumbent who has no record at all, which is how it shapes up now. But the particular Kennedy record is scarcely a prescription for easy victory. On significant issues, it may be quite out of synch with the mood of the people, which says less for them than it does for him. Certainly on domestic matters he may be the most articulate spokesman for the generous impulse in America. But on foreign policy, Kennedy has often been afflicted with moral shortsightedness. When he first ran for the Senate, he was tied inevitably to his brother's squalid war against Cuba. Six years later he was still equivocating on the enormity of Vietnam. Now he's become the point man for the "normalization of relations with China," a squishy phrase that means abandoning the Taiwanese to the Communists on the mainland. Senator Kennedy is among those who, as Peter Berger wrote in the *New York Times* last week, "keep telling us that the patience of the Peking leadership is about to run out over Taiwan." My guess is that the Peking leadership has many incentives to contain its impatience. But if not, there may just be more important and more honorable imperatives for American foreign policy than simply keeping Mao's successors calm.

In case you didn't notice: General Alfredo Stroessner won re-election as Paraguay's president with 86 percent of the vote. But that was nothing compared with the triumph for popular democracy in Syria, where the sovereign and self-determining people gave President Hafez al-Assad 3.9 million votes in his re-election bid. Four thousand ballots were cast "no." A government press official in Damascus pointed out that the dissenters were statistically insignificant, and that this shows the unanimous opposition of the Syrian people to Egyptian-Israeli peace moves. A sobering thought.

You could almost hear the New Deal hissing. Yes, it was *the* Hamilton Fish, of FDR's infamous mellifluous trinity "Martin, Barton and Fish," alive and writing to the *Times* letters section. President Carter's proposed Panama Canal treaty would betray the western hemisphere to the Communists. "The Soviet influence would rapidly extend . . . Marxist Communist dictatorship . . . The American people have a right to know . . . the encirclement of the US by hostile naval forces . . . " At 90, Fish must have felt American security threatened dozens of times in his life. We've even survived what he has warned us we would not. But he's still around protecting the ramparts, cranky, fervent, sternly unyielding. Fish's son now holds what is more or less the family's congressional seat. Hamilton Fish, Jr. is a decent, moderate Republican, of the genus that Gene McCarthy says comes as an act of mercy to shoot the wounded. There's also a grandson, Hamilton Fish, III, no moderate Republican he, or moderate Democrat for that matter either. He has hustled together some cash, brought along a talented new editor Victor Navasky, and become publisher of *The Nation*, a weekly that is literate and leftish, reflexively so. I welcome a revived *Nation* and wish the Messrs. Fish, old and young, well.

Does Cyrus Vance really believe that the 60 B15s he and President Carter propose we well to Saudi Arabia, along with the rest of the sophisticated arsenal that rich, primitive principality has already accumulated, will serve the cause of peace? Of course he doesn't. But beneath that bland and vapid demeanor lurks a hardened career cynic schooled to make even the most horrendous developments appear palatable. Hence the administration's big sell that these instruments of death are really planes for peace. This administration came into office with many dreams, one of which was that we'd cease being a war merchant to just about anybody and everybody. Like most of its other dreams, this one too is obsolete. Jimmy Carter and his servants are producing instead one nightmare after another.

M.P.

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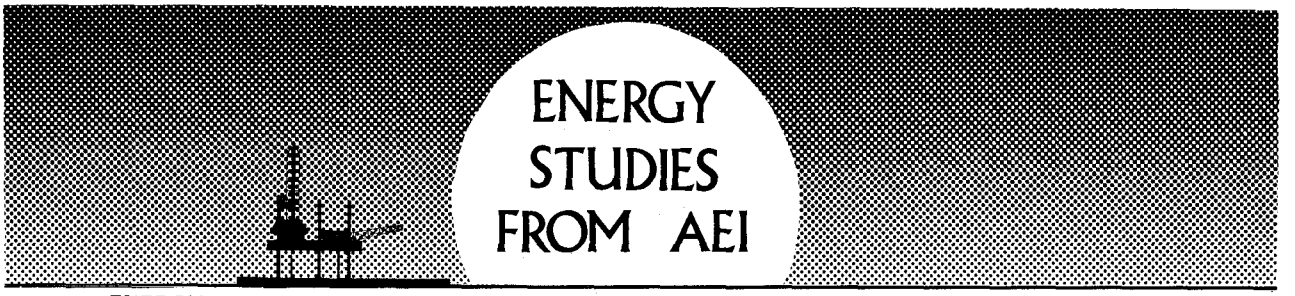

ENERGY – A CRISIS IN PUBLIC POLICY
By Melvin R. Laird

Laird's report charges that shortages of energy are manufactured by governmental policies at home and abroad and that deregulation of prices of newly-discovered natural gas and oil coupled with a windfall profits tax should be instituted. He served as chairman of the American Enterprise Institute's two-year National Energy Project which was started in 1974. *23 pages / $1.25*

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By John C. Whitaker

Drawing on his White House and Interior Department experience, the author recounts the successes and failures of two administrations in attempting to devise sound, cost-effective strategies for environmental improvement. In the emotional early days of the environmental movement, demand quickly grew for clean air, pure water and open space for recreation. Then, after the 1973 petroleum boycott, equal weight was given to concerns for the development of oil, coal and other mineral resources. Whitaker describes governmental responses to shifting public opinion on environmental issues. *344 pages / $5.00*

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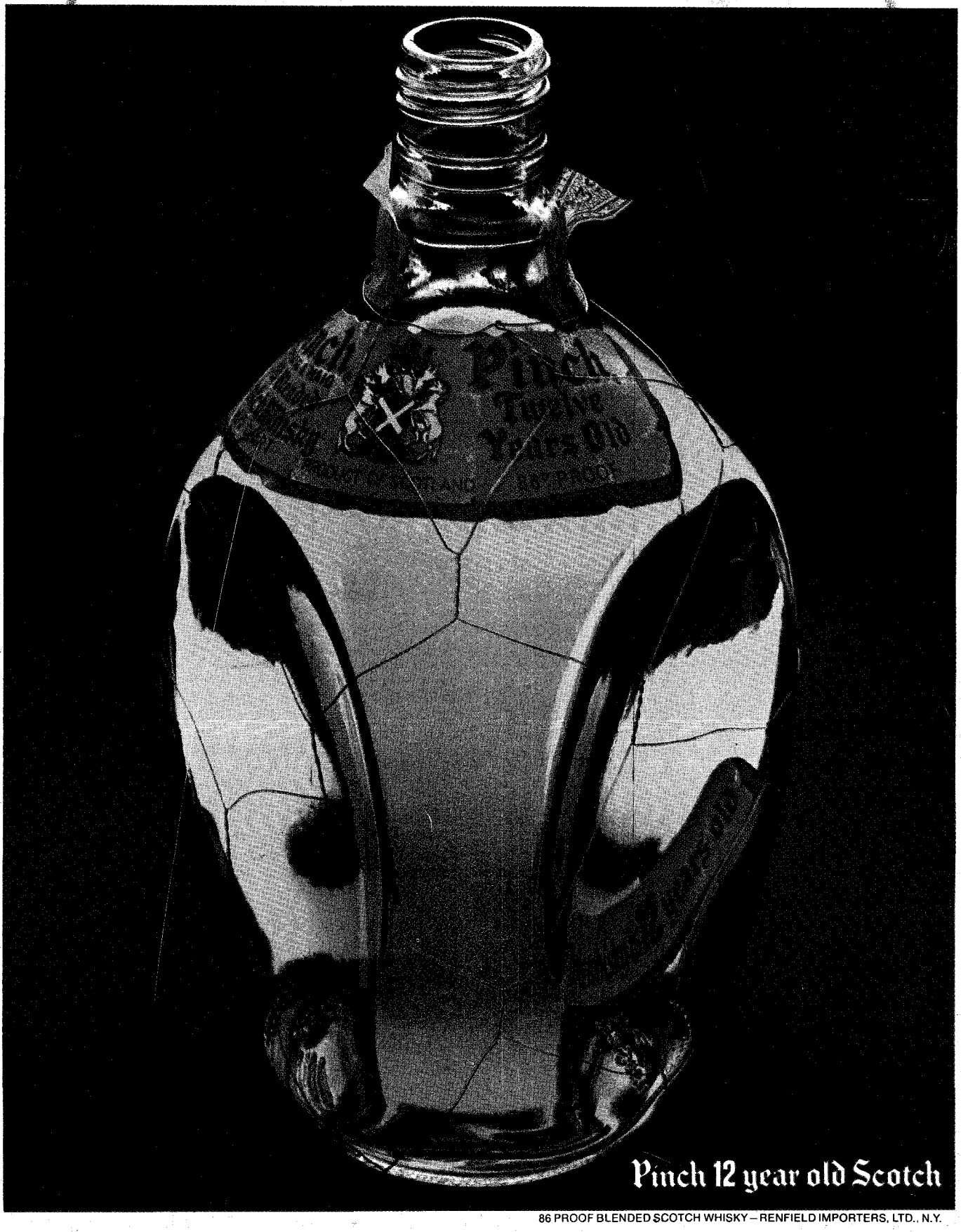

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